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## Confronting Change

### Asians Are Seeking New Competitiveness

By John Vinocur  
International Herald Tribune

SEOUL — Jaell Engineering Co. Ltd. saw the Asian crisis as an opportunity to cut its dependence on South Korea's chaebol, the country's massive conglomerates that can hold the power of life or death over small and medium-sized businesses. With half its sales generated by chaebol, Jaell decided last year was the right time to push its own products and brands.

It hit on a great idea: Produce a one-person washing machine, about the size of a hotel room minibar, that would fit unobtrusively into Asia's tiny apartments. "Perfect for socks and pants," said Jaell's chairman, Yoon Chung Mok, with something like real glue. The big items, sheets and towels, could wait until the weekend and the larger coin-operated washing machines found in most housing developments' laundry rooms, he explained.

The new washer, sold under the Kaiser brand, is coming to market at a price equivalent to \$120 or \$130 a unit. And the competition? Mr. Yoon was asked.

"China," he said. Mr. Yoon looked a bit concerned.

Jaell's circumstances describe how some Asian businesses are trying to respond to an economic crisis that, with its grief and failure, has also brought a new measure of openness and initiative. Although there are doubts about the pace and degree of economic restructuring on the scale of individual countries, Asians are now analyzing with greater frankness where they stand against the competition and how they can respond to the challenge of building new business creativity.

The response goes beyond the remodeling of economies where capital allocation too often meant outmoded government intervention, favoritism and banking or company decisions based on factors that had little to do with making a return on investment. Although little concrete action has taken place on an Asia-wide scale,

there is increased thought going into such ideas as a regional economic community, an Asian Monetary Fund or a yen zone that would complement the development of both the euro and North American Free Trade Agreement and bring Asians, at the least, into more direct control over the competitive, monetary aspects of their economies.

In the short term, the ultimate competitive weapon would be a currency devaluation by either China or Japan. China has said it will not cheapen its

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currency. But a less expensive yen has its backers in Tokyo, where it is also acknowledged that a devaluation could have a seriously damaging effect in other Asian countries, notably South Korea.

"As things stand now, it's fair to say Asia will come out of this a stronger competitor," said Robert Alan Feldman, managing director and chief economist of Morgan Stanley Dean Witter in Tokyo. It was his firm, in a guide to investors less than a year before the onset of the crisis in 1997, that listed only 34 Asian companies as having "a sustainable global competitive advantage," compared with more than 200 in the rest of the world.

"Now there's a better understanding of economic checks and balances," he said. "It's been learned that very high levels of investment are no guarantee of good growth. Asia and Japan broke down in the efficient use of capital. You can say the relation between the Asian notion of harmony and competition is still being adjusted. In Japan, time may be running out."

Overall, the picture is still mixed. Gearing up to "win market share" or investors' confidence is not simple. If South Korea says that these days it has nine new small businesses for every bankruptcy, companies like Jaell can complain that there is still more money available for the chaebol

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Refugees from Kosovo jostling at the head of a line for bread Monday in Kukës, Albania. Tens of thousands have fled there to escape war at home.

## Foreign Ministers Tell NATO to Help Kosovars in Hiding

### They Hold Milosevic Responsible For Fate of Those Still in Province

By Barry James  
International Herald Tribune

BRUSSELS — The foreign ministers of NATO countries declared Monday, in their bluntest terms yet, that they held Slobodan Milosevic, the Yugoslav president, responsible for the fate of thousands of ethnic Albanians believed to be hiding from Serbs in Kosovo, and they directed NATO's military wing to devise a plan to assist them.

It was not clear what options might emerge from the military planners. In the past, alliance officials have said that low-altitude air drops of food would expose allied aircraft to anti-aircraft fire and that there would be no guarantee that the aid would reach refugees, perhaps falling into the hands of Serbian forces instead.

The U.S. secretary of state, Madeleine Albright, said in Brussels that there might be as many as 700,000 homeless civilians inside Kosovo seeking to escape from Serbs.

In addition, Javier Solana, Madrid's NATO secretary-general, made it clear that, because of the widespread destruction of homes and infrastructure, international institutions and allied nations — "the international community," as he put it — would be committed to a long-term rebuilding project inside

Kosovo once the Yugoslav province was safe enough for refugees to return. Heavy fighting continued along the Albanian frontier with Kosovo on Monday night. A Reuters television producer said heavy explosions were heard all day around the Albanian village of Tropoje.

Belgrade said it intercepted an incursion by ethnic Albanians and had killed some 150 "terrorists."

Albania said Serb forces had shelled villages and border posts and called on NATO to retaliate.

Reuters quoted military observers in Skopje, the Macedonian capital, as saying the fighting appeared to be triggered by attempts by the Kosovo Liberation Army to resupply units in Kosovo.

The observers said the guerrillas were far from defeated and were holding up in the mountains of Kosovo, coming down to harass, intimidate and ambush Serbs.

In a joint statement from 19 NATO foreign ministers, the alliance declared Monday that NATO "will hold President Milosevic and the Belgrade leadership responsible for the well-being of all civilians in Kosovo."

In what amounted to a threat to pursue war crimes prosecutions if enough

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## Yugoslavia Seeks Union With Russia and Belarus

By Michael Dobbs  
Washington Post Service

BELGRADE — The Yugoslav Parliament voted unanimously Monday to seek a political union with Russia and Belarus, in what appeared to be a largely symbolic attempt to gain support from the Slavic world in resisting the NATO bombing campaign.

While there has been much talk about Serbian-Russian friendship over the centuries, the vote flew in the face of a fiercely independent Yugoslav tradition in relations with its larger Slavic brother. Yugoslavia's

Washington warns Moscow not to aid Serbs. Anti-U.S. feeling rises in Russia. Page 6.

former Communist ruler, Marshal Tito, broke with his Soviet patrons in 1948 and devoted much of his career to resisting calls from Moscow for closer ties.

Serbian officials depicted the proposed alliance with Russia and Belarus as a psychological lift for Serbs in their struggle with the North Atlantic Treaty Organization over Kosovo. The prime minister, Mirko Marjanovic, described the vote as "yet another way to resist the NATO aggression."

Both houses of the Yugoslav Parliament passed the motion for union to standing ovations without a dissenting vote.

In the Chamber of Citizens, the lower house, 110 deputies voted for the measure, none voted against and five abstained.

In the Chamber of the Republic, 26 deputies voted for, none against and one abstained, the Yugoslav press agency said.

President Slobodan Milosevic of Yugoslavia wrote to President Boris Yeltsin of Russia on Sunday to formally request membership in the alliance.

While Russian officials welcomed the application, they appeared to be in no hurry to take action on it. Foreign Minister Igor Ivanov of Russia said that the matter would require detailed study. He said last week that NATO operations against Yugoslavia would probably be over before the country could be included in an expanded union.

Concluded in 1997 after lengthy haggling, the union between Russia and Belarus has remained largely a dead letter, in part because of the very different personalities of Mr. Yeltsin and President Alexander

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## China's Exports Tumble, Raising Fears of Decline

WTO Failure Adds to Woes, but Signs Are Mixed

By Seth Faison  
New York Times Service

SHANGHAI — China's exports fell 7.9 percent in the first quarter, official media announced Monday, revealing an area of weakness in an economy also troubled by feeble domestic demand.

Economists are anxiously watching for signs that Asia's second-largest economy may fall into the downward spiral that has pulled in many of its neighbors. But China's signs are mixed.

Imports grew 11.6 percent in the first quarter, while the overall economy grew 8.3 percent, bolstered by heavy state spending on infrastructure projects. Despite worldwide concerns that China may be forced to devalue its currency, the yuan, economists who follow China closely say that it is highly unlikely that Beijing will devalue this year, even with falling exports.

The trade figures were released as business executives in China expressed disappointment at the country's failure to win membership in the World Trade Organization during the visit last week to Washington by Prime Minister Zhu Rongji, a setback apparently caused more by American politics than by serious differences among trade negotiators.

Mr. Zhu, China's strongest advocate of reform, may now be vulnerable to critics in Beijing who opposed making significant concessions that would open China's markets to greater international competition. But politics are so secretive in China that any diminishing of Mr. Zhu's standing will only become evident slowly. On Monday, China's me-

dia reported positively on the WTO negotiations, stressing secondary agreements that were made, and the commitment by Washington and Beijing to reach agreement on WTO membership by the end of the year.

The fall in exports was caused principally by weaker demand from Europe, Chinese officials said, citing a 9.1 percent fall in exports to Europe in the first two months of the year. In contrast, exports to the United States grew by 8.4 percent in the first quarter.

"China's exports to the European Union do not look promising in the first half of this year," said Sun Zhenyu, the deputy foreign trade minister. "The launch of the euro has created more competition to Chinese exports."

Mr. Sun said the euro's decline against the dollar by roughly 9 percent since the 11-nation European currency was created Jan. 1 had depressed demand for Chinese goods in the European Union.

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ANSWERING THE CALL — Kosovo Liberation Army recruits training in northern Albania in a photo released Monday. Hundreds of Albanian-Americans are headed to join the rebels. Page 4.

## On a Train, Death Rains From Sky

By Steven Erlanger  
New York Times Service

GRDELICA, Serbia — No one knew the names of the dead.

They were not locals, just strangers passing through on the Belgrade-to-Skopje train, No. 393, at about 11:45 on Monday morning.

They were unlucky, it seems, to be in this particularly spectacular gorge, on this particular bridge, in this particular train, at this particular time, when death dropped down unseen from a cloudy sky.

In its expanding air war, NATO warplanes bombed two bridges Monday morning over the Juzna Morava River, one highway, one railway, a narrow structure of steel girders painted a dull gray. The train, five cars pulled by a bright red, white and blue engine, was on

the bridge, and the missile cut it in half.

At least nine people were killed, said the police at the scene, and at least 16 others, badly wounded, were brought to a hospital in nearby Leskovac. At least two planes were heard, a police sergeant said, but they could not be seen above the clouds. The bridge was hit and then the train itself, he said.

"The bastards attacked the train," he said through a translator. "Now go away. I don't want to hear English anymore."

NATO officials said in Brussels on Monday that the alliance had targeted the bridges here, about 300 kilometers (200 miles) south of Belgrade, on what it considers an important supply route into Kosovo. But the deaths they put to another accident of war.

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## AGENDA

### Judge Rules Mistrial in McDougal Case

A jury in Arkansas on Monday acquitted Susan McDougal, a central figure in the Whitewater case, of obstruction charges brought by the independent counsel Kenneth Starr. But it deadlocked on two charges of criminal contempt, leading a federal judge to declare a mistrial.

The mistrial was viewed as a stunning setback for Mr. Starr. Page 3.

### Pulitzer Prizes Won by Post and Times

The Pulitzer Prize for public-service journalism was awarded Monday to The Washington Post for a series of articles about reckless gunplay by city police officers who had had little training or supervision.

The prize for national reporting went to The New York Times staff and notably Jeff Gerth for a series that disclosed sales of U.S. technology to China despite national security risks.

The prize for commentary went to Maureen Dowd of the Times for her columns on President Bill Clinton's

affair with Monica Lewinsky.

In the arts, Michael Cunningham won for his novel "The Hours," and the poetry prize went to Mark Strand.

The general nonfiction prize was awarded to John McPhee for "Annals of the Former World," and the biography prize went to "Lindbergh: A Scott Berg's book about the American aviator Charles Lindbergh. The history prize was given to "Gotham: A History of New York City to 1898" by Edwin Burrows and Mike Wallace.

Details on Page 3.

The Dollar		
New York	Monday @ 4 P.M.	previous close
Euro	1.0819	1.0795
Pound	1.614	1.6083
Yen	120.27	120.87
DM	1.8078	1.8113
FF	6.063	6.0748
Dollars per pound and per euro		
The Dow		
	Monday close	percent change
↑	+ 165.57	10,339.51 + 1.63%
S&P 500		
↑	+ 10.02	1,358.37 + 0.74%
Nasdaq		
↑	+ 4.74	2,587.79 + 0.18%
Books ..... Page 9		
Crossword ..... Page 11		
Opinion ..... Pages 8-9		
Sports ..... Pages 20-21		
The IHT on-line: <a href="http://www.ihl.com">www.ihl.com</a>		

## Swedish Official Resigns In Dispute Over Tax Policy

By Tom Buerkle  
International Herald Tribune

Finance Minister Erik Asbrink of Sweden resigned Monday, shaking the government by exposing a disagreement over economic policy just two days before the annual budget announcement.

Mr. Asbrink coupled his move with criticism of the prime minister, Goran Persson, saying Mr. Persson had over-ridden a cabinet decision in favor of tight budget policies by hinting at significant tax cuts in a television interview over the weekend.

"I'm resigning because I feel I no longer have the full confidence of the prime minister," Mr. Asbrink said.

The bitter falling out between the government's two leading figures was

an extraordinary event in a country where consensus normally rules in politics. It indicated deep disarray over economic policy similar to that in Germany at a time many Swedish business leaders are blaming the country's tax rates — the highest in the developed world — for an exodus of entrepreneurs and companies from Sweden.

The resignation also triggered speculation about the possibility of an early general election. The next election normally would not be held until 2003.

The Social Democrats, to which Mr. Persson belongs, scored their worst result in nearly 70 years in the general election last year. They retained power only with the support of the ex-communist Left Party and the environmen-

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Newstand Prices			
Bahrain	1,000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12500 Naira
Denmark	17 DKR	Oman	1,250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gabon	2,000 Gp	Rep. Ireland	IR £1.10
Great Britain	UK £1.00	Saudi Arabia	10 SR
Egypt	2E 5.50	S. Africa	R16 incl VAT
Jordan	1,250 JD	U.A.E.	10.00 Dh
Korea	K ₩ 160	U.S. MA (Eur)	\$ 1.20
Lebanon	700 Lb	Zimbabwe	Zm \$40.00



## The Other African Diaspora /Lost Tribes in South Asia

## Asian Blacks' Unique Past Is Ever Present

By Kenneth J. Cooper  
Washington Post Service

JAMBUR, India — In this neat, dust-swept hamlet on India's northwestern coast, a group of people called Siddis speak the same Gujarati language and eat the same flavorful food as other villagers, but nevertheless stand out.

Up the coast and across the border in Karachi, Pakistan's largest city, a similarly distinct group called Sheedis live jammed together down a narrow lane behind a blue metal gate. They stage spirited donkey cart races on weekends and primarily speak Baluchi, the language of a neighboring province.

And off the southern tip of the Indian subcontinent in Sri Lanka, a group known as kaffirs live simply in thatched-roofed houses set among palm trees on the western coast, integrated with other Sri Lankans but noticeably different.

The Siddis, Sheedis and kaffirs do not know about each other, and only a few of their educated countrymen know who they are or where they came from. But even in a part of the world where most people have dark skin, these South Asians stand out. They are unquestionably of African descent.

The Siddis, Sheedis and kaffirs are among the lost tribes of Africa, descended from slaves, servants and soldiers brought from East Africa over the centuries, first by Arab traders and later by Portuguese and British colonizers. Considered a racial epithet in countries such as South Africa, "kaffir" has no such connotation in South Asia.

Most of the world's African diaspora lives in the Americas, descendants of slaves transported from West Africa in a brutally efficient trade that lasted more than three centuries, ending in the 1800s. Although the East African slave trade began earlier, it was conducted on a much smaller and less dehumanizing scale, leaving barely noticed pockets of African Asians from Iran to Sri Lanka who retain their racial identity despite some intermarriage.

These groups are small, ranging from the hundreds to tens of thousands. Though they have not experienced racial strife or systematic discrimination, most live in poor, isolated communities because they remain outside social networks that generate economic opportunity.

In addition to physical features — some Sri Lankan kaffirs wear braids or Afro hairstyles, for instance — they have retained remnants of their African heritage in dance, music and speech.

"They have their own culture. They are recognized as Africans," said Vijay Gupta, a retired professor of African studies, referring to the Siddis.

South Asians of African descent exhibit little of the African consciousness of the kind that black Americans and West Indians have cultivated since the 1960s. With little education and less international contact, most know only that their enslaved ancestors came from somewhere in Africa a long time ago.

"I don't know anything about Africa," confessed Ismail Ahmadbhai, a hereditary Siddhi leader who completed seven years of schooling. "I've wanted to visit many times."

Nevertheless, many express pride in their culture. G. Maria Jasintina, a Sri Lankan who married into the Sinhalese ethnic majority, beamed when she talked about being a member of a small kaffir tribe that performs African songs in a creolized Portuguese.

South Asians of African descent are most widespread in India. Gujarat's Siddis are Muslims but



Asghar Ali, second from left, a member of the national soccer team, and the boy in the center are among the Pakistanis of African descent known as Sheedis.

are oddly classified as an indigenous tribe under a state law that defines lower castes in the religious hierarchy of India's Hindu majority.

And, like a caste, they have a traditional occupation: collecting firewood. Some here in Jambur and the nearby town of Talala have become drivers or shopkeepers. Overall, it is not a prosperous community.

"We are very poor, very unhappy. The government has done nothing for us," said Mr. Ahmadbhai, who ranks among the relatively prosperous by earning \$12,000 a year from his mango farm.

Embracing a genetic theory of African athletic superiority that would inflame American sensibilities, the government's Sports Authority has for more than a decade recruited Siddhi youths in a bid to improve India's dismal record in international competition. The strategy has not worked, partly because most recruits do not complete their athletic training.

"Their motivational level is so low that as soon as they're offered a job, they're ready to go," explained Rachana Govil, who has been involved in the recruitment program since it began in 1987.

Locally, Siddis are known for lively holiday performances of the African-style "dhamla" dance to rhythms pounded on distinctive drums. The history is murky, but Muslim traders appear to have brought the Siddis to India in waves, in the 15th and 17th centuries.

The group's name derives from the Arabic word "sayyid," a Muslim title of respect. Mr. Gupta said it is an Indian custom to confer an exaggerated title upon people of low status.

Up the Arabian Sea coast from Gujarat, Pakistan's Sheedis originally settled in desert areas where they were brought centuries ago by Arab traders. Some Sheedis still live there, in the Makran

region, and a similar group lives in the southern part of neighboring Iran.

Before Pakistan was carved out of British colonial India in 1947, other Sheedis migrated to what was then the small port town of Karachi and took jobs as laborers.

The number of African Pakistanis is not clear. Like India's Siddis, they are Muslims and perform African dance and music.

The urban Sheedis are not as uniformly poor as the rural Siddis. In the 1970s, a man whose mother was a Sheedi served as a cabinet minister. Education and a strong motivation to overcome past deprivation have contributed to the group's upward mobility.

"We are educated, not like Sheedis in other areas," said Yaqub Muhammad, a journalist. "They were oppressed in Baluchistan. They were treated like slaves in the Makran area. They have that in their psychology."

In Sri Lanka, kaffirs "are almost absorbed into the local society, but their ethnic features are visible," said K.D. Paranavithana, an anthropologist who has studied the kaffirs. "They are poor. The majority are not employed. Those employed in public service are ill educated."

Their name apparently derives from the fact that most are Catholics; "kaffir" is an Arabic word that denotes someone who is not a Muslim.

According to Mr. Paranavithana, Portuguese seafarers carried the first kaffirs to what was then Ceylon in the 1500s, most likely from Mozambique. Later, British colonists brought others to fight against Ceylonese armies in "kaffir" regiments.

That history was unfamiliar to Mrs. Jasintina's uncle, M. Joseph Elias, a retired village official who said he does not know much about his ancestry and spends little time thinking about Africa. "Now," Mr. Elias said, "we are Sri Lankans."

## Optimistic but Guarded, Algerians Set to Vote

By Charles Truheart  
Washington Post Service

PARIS — Optimism has been a scarce commodity in Algeria for as long as most of its 30 million people can remember — as scarce as food, schooling, housing, and jobs, and certainly as scarce as peace and security.

More than 75,000 Algerians have died since 1992 in one of the dirtiest yet least visible civil wars of the decade.

The conflict has pitted a government dominated by generals against shadowy guerrillas who kill in the name of Islam. It has left few families unmarked.

But now, Algerians are permitting themselves their first taste of hope. "We have to be optimistic, given what we've lived through," said Moustafa Bouchachi, a human rights lawyer in Algiers. "And something has changed in this country."

After an explosion of bloodletting in 1997-98, the radical Muslim terror campaign is being slowly squelched: 2,000 people were killed in the second half of 1998, compared with 6,000 in the second half of 1997, and the proportion of civilian victims has dropped significantly, according to Western estimates.

"People used to be scared all the time," said a foreign resident of Algiers. "Now they're not at night."

As they struggle to close a violent chapter in their history, Algerians are trying, again, to open a noble one: They are about to elect a new president in a general election that has impressed even critical observers with its pluralism, its openness and its potential for effecting change in a dispirited and economically troubled society.

If the election goes off Thursday with at least plausible honesty, it will mark the first time an Algerian president — in this case, Liamine Zoual, a former general pressed into service in 1994 — will have given up power not only voluntarily but also ahead of schedule.

The vote, called more than a year before Mr. Zoual's term was to expire, would be by many measures the first truly competitive presidential election in the Arab world. And for a country known chiefly for atrocities and authoritarianism, it is a particular paradox.

Seventeen million voters will have a choice of seven candidates. It is probable that Abdelaziz Bouteflika, a longtime foreign minister turned out of retirement to run, will garner the largest percentage.

He is known as the "consensus candidate," a euphemism that means he is the choice of the generals who have controlled the North African nation, usually behind the scenes, since it won independence from France in 1962.

Mr. Bouteflika's opponents include three "seasoned" politicians: Mouloud Hamrouche, a former prime minister cashiered for an excess of reformist zeal; Ahmed Taleb Ibrahimi, another former minister who now carries the Islamic banner; and Hocine Ait Ahmed, a grand old man of the Algerian revolution and perpetual opponent, and occasional prisoner, of the regimes it spawned.

Mr. Ait Ahmed, 73, had a heart attack a week ago and is effectively out of the race, raising the chances that Mr. Bouteflika could be forced into a runoff.

The relative pluralism of the election suggests "a genuine opening for a limited kind of democratic reform," said William Quandt, a former National Security Council official. If Mr. Hamrouche, the candidate most likely to force Mr. Bouteflika to a runoff, should win, it would be "an amazing development," Mr. Quandt said.

It also would be a real test of whether the powers that be will allow democracy to take its course.

Algerians are realistic. "Let's not be naive," said Nadia Bey, an Algerian radio journalist. "The army has opted for a candidate, and there is major campaign machinery working on his behalf. There won't be any surprises."

But Ms. Bey cannot resist feeling good about the way the election has unfolded and what it holds in store.

"It will be a big breakthrough in a long democratic process," she said. "We are a young people, and compared to next door, we are avant-garde."

Tunisia and Morocco, two of Alge-

ria's neighbors, enjoy peace and relatively greater economic security, but civil liberties and voting power are more limited in those countries. And the independent press in Algeria is one of the noisiest in the Arab world, despite both the rule of the generals and terrorist attacks, which have killed dozens of journalists.

The last time the country tried opening the political system, voters decisively rejected the National Liberation Front, which had ruled since independence. They flocked to a radical new party that espoused a model of Islamic, theocracy, a political system based on the Koran that has become familiar across the Muslim world.

In the first round of parliamentary voting in 1991, the Islamic Salvation Front, won overwhelmingly. But before the second round, the elections were canceled and the Salvation Front was banned.

The generals' brazen theft of the election provoked the long terrorist campaign by several Muslim groups. In a nighttime series of shootings and bombings, they have terrorized a population and engendered comparable ruthlessness by the Algerian security forces, which also have helped to arm the civilian population in self-defense.

Some believe the massacres of the last years may have convinced Algerians of the futility of continued struggle.

"The last seven years have been a painful experience both for the military and for the Islamists," Mr. Bouchachi said. "Now they are both becoming convinced that democracy is good for them. They see it's not possible to rule by religion, and it's not possible to rule by the Kalashnikov assault rifle."

## Military Junta Consolidates Power in Niger

Reuters

NIAMEY, Niger — Niger's new military junta began to consolidate its hold on power on Monday, a day after seizing control following the killing of the country's president.

Residents said the capital, Niamey, remained calm, with the West African country's politicians yet to react to the return of the army at the helm after the assassination last Friday of President Ibrahim Bare Maïnassara.

A former presidential guard commander, Major Daouda Malam Wanké, named Sunday as successor to his boss, met several with diplomats Monday, officials said, including the ambassadors of the former colonial power, France; the key donor, the United States; and the chargé d'affaires of Niger's powerful southern neighbor, Nigeria.

Nigeria, whose own ruling generals are due to hand power to an elected government next month, has issued a strong condemnation of the coup, as has Niger's francophone ally, Ivory Coast.

A statement issued Sunday by the Ivory Coast foreign minister, Amara Essy, denounced the gunning down of Mr. Maïnassara by members of his guard as "despicable and cynical."

But while many people in Niger appeared horrified by the nature of Mr. Maïnassara's death, some politicians said privately that his removal could pave the way for a fresh start at returning Niger to genuine democracy.

Mr. Maïnassara's own coup in January 1996 scuttled Niger's transition to multi-party democracy. His transformation into an elected president four months later was never accepted by a militant opposition led by those he overthrew.

Civilian opponents frequently challenged Mr. Maïnassara's rule, and a significant section of the army did little to hide its sympathy for his opponents.

While many people in Niger have expressed concern about possible Western sanctions on the new military government, others have drawn some consolation from recent events in Nigeria.

## Trans-Pacific Exemption Sought for Boeing's 777

By Matthew L. Wald  
New York Times Service

WASHINGTON — Boeing Co. and four airlines are seeking an exemption from U.S. government rules that would allow the company's 777 jet to fly farther from land. The purpose is to allow the plane, which has two engines, to fly across the Pacific Ocean even when emergency airfields along the route are closed by bad weather.

The effort has created a dispute with Airbus Industrie, the European plane-making consortium that is Boeing's only major competitor and a proponent of four-engine planes.

The issue also is forcing safety experts to re-evaluate whether it is still appropriate to set safety rules governing oceanic flights based on the number of engines a plane has.

"I'm not so sure that makes a lot of sense," Chet Ekstrand, a Boeing vice president, said of the rules. "The vast majority of reasons for diverting have nothing to do with engines."

The most frequent reasons for diver-

sions, Mr. Ekstrand said, are due to passenger illness.

Delta Air Lines, Continental Airlines, American Airlines and United Air Lines asked the Federal Aviation Administration last month for the change, which would allow the 777 jets to make flights of up to nearly three-and-a-half hours from emergency airfields instead of the current three-hour limit. The agency is considering the idea.

"There is a level of safety afforded by 180 minutes today," Tom McSweeney, the agency's associate administrator for aircraft certification, said.

But John Leahy, senior vice president for sales at Airbus, said in a recent briefing for Wall Street analysts that twin-engine planes might be adequate for the Atlantic but not the Pacific.

"If you lose an engine on a quad, you have an annoying situation," Mr. Leahy said. "If you lose an engine on a twin, you have an emergency."

The pilots union at American Airlines, the Allied Pilots Association, has asked the agency to reject the request, or at least to hold public hearings on it. The

union said that the farther from an airport an airplane gets, the greater the risk.

"The pilot has interests coincident with the passenger's," said Richard Lavoy, president of the union. "We're on board with them, not sitting in either a government office or a corporate office, calculating risk."

But a larger union, the Air Line Pilots Association, backs the change, partly because the airlines are volunteering to take a variety of other steps to reduce risk. For example, the airlines have agreed to eliminate rules that let planes fly even if a fuel gauge is broken or if the auxiliary power unit, an extra jet engine for making electricity, is not working.

Before the jet era, the aviation agency required two-engine planes to stay within an hour's flying time of a suitable airfield, but in 1985, accepting the airlines' arguments that jets fly only one-tenth as often as piston engines, the agency extended that to up to two hours.

Still, the airlines wanted more flexibility as they stopped funneling most international passengers through gateways like New York and London and

started flying through smaller places like Pittsburgh and Birmingham, Alabama. Traffic on those routes helped build a market for smaller two-engine planes.

To allow planes like that to fly across the Atlantic, the aviation agency in 1988 approved flights of up to three hours from emergency landing sites. Soon after the two-engine 777 was introduced in 1995, it qualified for the three-hour rule.

But three hours, which is enough to allow 777s and 767s to cross the Atlantic without going out of their way to stay close to Newfoundland or Iceland, is sometimes not enough for the Pacific. If two or three airports in Alaska or Siberia are closed by bad weather, the three-hour limit would be exceeded by four to 11 minutes, about 28 to 77 miles (45 to 124 kilometers), for the 777. For the 777, three hours is 1,260 miles; the airlines are seeking 1,450 miles.

United Airlines wants to begin flying its 777s to Tokyo from San Francisco this year. To avoid a more southerly route that could stretch the trip from San Francisco to 12½ hours from 11, it would need those extra minutes to reach an airfield.

## TRAVEL UPDATE

## Beijing Sets Gala for China's 50th

BEIJING (Reuters) — China's capital will give a weeklong, multimillion-dollar gala party replete with fireworks and a military parade to mark the 50th anniversary of the founding of the Communist state, city officials said Monday.

Speaking at a news conference to unveil the ambitious Oct. 1 anniversary program, Executive Deputy Mayor Meng Xueqiong said the event would also include a 500,000-member parade through the heart of the city.

"The 50th anniversary of the founding of new China is a glorious festival for all Chinese people," Mr. Meng said. The activities will begin on Sept. 28 with a party for the political elite at the cavernous Great Hall of the People in central Beijing, Mr. Meng said.

## Rangoon Temple Damaged by Fire

RANGOON (AP) — An arson fire has damaged the ornate ceiling of a staircase leading to Burma's most revered shrine, the recently refurbished Shwedagon Pagoda, official newspapers reported Monday.

The blaze was extinguished 15 minutes after it was spotted by security personnel Saturday and the damage was described as slight, the papers reported. Photographs showed burned portions of the ceiling. The newspapers, which are controlled by the military government, named no suspects but said arson was suspected.

Half of Italy's trains were idled when rail workers walked off their jobs for eight hours Monday. Workers were protesting management moves to rearrange shifts and staffing to increase productivity. (AP)

Spain will ban smoking on all domestic flights and restrict it on trains and ferries. The measures will come into force later this year, probably in October, after the cabinet gives its formal approval, a spokeswoman for Health Minister Jose Manuel Royo said Monday. (AP)

A computer failure at Malaysia's new international airport on Sunday caused an hour-long blackout, delayed flights and stalled escalators, forcing travelers to lug bags five flights of stairs to departure gates. (AP)

British Airways began a weekly London-Havana service. (Reuters)

## WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe	Today	Low	High	Tomorrow	Low	High
Algeria	23/7	13/5	20/1	20/1	10/4	20/1
Belgium	14/5	8/4	19/1	19/1	10/4	20/1
France	14/5	8/4	19/1	19/1	10/4	20/1
Germany	14/5	8/4	19/1	19/1	10/4	20/1
Italy	14/5	8/4	19/1	19/1	10/4	20/1
Spain	14/5	8/4	19/1	19/1	10/4	20/1
UK	14/5	8/4	19/1	19/1	10/4	20/1
...	...	...	...	...	...	...



North America	Today	Low	High	Tomorrow	Low	High
Alaska	4/3	-2/2	9/4	9/4	-2/2	9/4
Canada	4/3	-2/2	9/4	9/4	-2/2	9/4
USA	4/3	-2/2	9/4	9/4	-2/2	9/4
...	...	...	...	...	...	...

Asia	Today	Low	High	Tomorrow	Low	High
Beijing	17/2	3/2	27/1	27/1	3/2	27/1
Tokyo	17/2	3/2	27/1	27/1	3/2	27/1
...	...	...	...	...	...	...

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## THE AMERICAS

# Judge Declares Mistrial In Starr's McDougal Case

## Arkansas Jury Deadlocks After One Acquittal

By Brian Knowlton  
International Herald Tribune

WASHINGTON — A jury in Arkansas on Monday acquitted Susan McDougal, a central figure in the White-water real-estate matter, of obstruction charges brought by the independent counsel Kenneth Starr. The jury deadlocked on two charges of criminal contempt, leading a federal judge to declare a mistrial.

The mistrial, in what had widely been viewed as a clear-cut case of contempt, provided one of the more stunning legal setbacks to Mr. Starr, who developed the charges that led to the unsuccessful impeachment Senate trial of President Bill Clinton.

"This should put a stake through the heart of Kenneth Starr," Mrs. McDougal's attorney, Mark Geragos, told reporters in a boisterous post-trial news conference. "This guy should pack up, get out of here."

The prosecutor, Mark Barrett, said that a retrial was "definitely an option" but would depend on an analysis of the jurors' reasoning. He said, however, that he had no complaint with the judge's handling of the trial.

Mr. Geragos was defiant, however. "They don't have the guts to retry this case down here," he said, "because we know where the bodies are buried."

Legal analysts said that the defense appeared to have succeeded in making the trial less about Mrs. McDougal's steadfast refusal to testify than about whether Mr. Starr had unfairly, even abusively, pressured witnesses in his extensive investigations of Mr. Clinton.

The outcome, particularly on the contempt charges, appeared to surprise even some of Mrs. McDougal's defenders.

There was no question that she had refused to testify before a grand jury, first on Sept. 4, 1996, and then on April 28, 1998. As a result, she was jailed for civil contempt and spent 18 months behind bars. In television interviews from jail, Mrs. McDougal, in her orange prison jumpsuit, was unrepentant.

Judge George Howard Jr. of U.S. District Court in Little Rock, Arkansas, had told jurors that Mrs. McDougal should be found guilty of contempt unless her failure to testify had been caused by "accident, mistake or other innocent reason." Her attorney had said that her fear of malicious prosecution by Mr. Starr's office had provided an "innocent reason."

A smiling, ebullient Mrs. McDougal said the outcome confirmed what she had been saying for years: that Mr. Starr or his deputies had pressured her to make untrue assertions against Mr. Clinton as part of a political vendetta.

A former prosecutor for Mr. Starr,



Susan McDougal leaving the federal courthouse in Little Rock on Monday with her attorney, Mark Geragos, left, and her fiancé, Pat Harris.

Ray Jahn, testified during the trial that Mr. Starr had wanted "the total and complete truth" but never pressured Mrs. McDougal for false testimony.

Mrs. McDougal, 44, said after the jury verdict that she was "a little numb" at the realization that for the first time since 1993, she faced no indictment. "I don't know what else to do but be a defendant," she said. She invited all within earshot to a party at a hotel in Little Rock.

The case for contempt had appeared so strong that some legal analysts spec-

ulated that this was a case of jury nullification: that the jury had looked beyond the legal guidelines given it by the court and decided that it would free a defendant it felt had suffered enough.

The jury deadlocked at five votes for guilty and seven for not guilty, CNN reported.

Mrs. McDougal had been charged in connection with her refusal to answer questions before two grand juries investigating the Whitewater land-development case involving Mr. Clinton and his wife, Hillary Rodham Clinton.

# Pulitzer Prizes Won By the Post and Times

The Associated Press

NEW YORK — The Washington Post won the Pulitzer Prize for public service journalism Monday for a series about reckless gunplay by city police officers.

The prize for commentary went to Maureen Dowd of The New York Times for her columns about President Bill Clinton's affair with Monica Lewinsky.

The prize for national reporting went to The New York Times staff and notably Jeff Gerth for a series that disclosed the sale of American technology to China despite national security risks.

The prize for international reporting was awarded to The Wall Street Journal for coverage of the Russian financial crisis.

Michael Cunningham won the Pulitzer Prize for fiction for his novel "The Hours." Mr. Cunningham's third novel, "The Hours," is set in New York and tells a complex story based on Virginia Woolf's classic "Mrs. Dalloway."

The drama award was presented to "Wit," a play by Margaret Edson. It is a deliberately unsentimental look at a woman's fight with ovarian cancer.

The history prize was given to "Gotham: A History of New York City from 1898" by Edwin Burrows and Mike Wallace.

The biography prize went to "Lindbergh," A. Scott Berg's book about the aviator Charles Lindbergh.

The poetry prize was given to Mark

Strand for "Blizzard of One," and the general confiction prize was awarded to John McPhee for "Annals of the Former World."

Melinda Wagner won the music prize for her composition "Concerto for Flute, Strings and Percussion."

A special music citation was given posthumously to Duke Ellington on the centennial of his birth. The Pulitzer board said the award was given "in recognition of his musical genius, which evoked aesthetically the principles of democracy through the medium of jazz and thus made an indelible contribution to art and culture."

In other journalism awards, the prize for feature writing went to Angelo Henderson of The Wall Street Journal for his portrait of a druggist who was driven to violence by his encounters with armed robbers.

The prize for investigative reporting was awarded to The Miami Herald for exposing pervasive voter fraud in a mayoral election that was later overturned.

The prize for explanatory reporting was awarded to Richard Read of The Oregonian of Portland, Oregon, for showing the impact of the Asian economic crisis on a local exporter of french fried potatoes.

The prize for beat reporting was awarded to Chuck Phillips and Michael Hiltzik of the Los Angeles Times for articles about corruption in the entertainment industry.

The prize for criticism went to Blair Kamin of the Chicago Tribune for his coverage of architecture, including a series on the development of Chicago's lakefront.

The award for editorial writing went to the Daily News of New York for its campaign to rescue Harlem's Apollo Theater from mismanagement, and the prize for editorial cartooning went to David Horsey of the Seattle Post-Intelligencer.

The Associated Press won both of the 1999 photography awards.

The spot news photography award was given for a portfolio on the U.S. embassy bombings in Kenya and Tanzania.

The feature photography award was given for a collection of photographs of the players and events surrounding Mr. Clinton's affair with Ms. Lewinsky and his impeachment.

The Pulitzers, the most prestigious awards given for journalism in the United States, are presented annually by Columbia University.

The awards carry a prize of \$5,000, except for public service. The winner of that category gets a gold medal.

# As His Self-Imposed Term Limit Nears, Congressman Isn't So Sure

By Sam Howe Verhovek  
New York Times Service

SPOKANE, Washington — George Nethercutt Jr. was the giant slayer five years ago when, in his first race for public office, he unseated a speaker of the House of Representatives for the first time since the Civil War.

Mr. Nethercutt, pledging to serve no more than three terms in the House, scoffed at arguments of the speaker then, Tom Foley, a 30-year House veteran, that Mr. Foley's influence and experience were vital.

"No one is indispensable in this district," Mr. Nethercutt told voters at the time. "The state is bigger than one man."

But now, as Mr. Nethercutt, a Republican, travels the 5th District in what is increasingly looking like a re-election bid, he is telling voters that his term-

limits pledge, a potent campaign tool at the time, may have been a mistake.

"I know what I said and I wish I hadn't said it," he said at a town hall meeting at the Garfield County Fairgrounds this month. "I have lived and learned."

Once seen as the poster child for the term-limits movement, which seemed to be catching fire in 1994 but has quieted down after adverse court rulings and flush economic times, Mr. Nethercutt is one of 58 members of Congress who have set a limit on their time in office, and one of 10 House members whose pledges come due next fall.

And of those 10, all but one of them are Republicans, at least four are wavering on their pledges, driven in part by the urging of party leaders and the high stakes involved in the 2000 races. With the Democrats needing just six seats to retake control of Congress, every seat is vital, and Republicans seem "loath" to

sacrifice strong incumbents on the altar of the term-limits cause.

Interviews in the 5th District strongly suggest that, so far anyway, few voters are waking up in the morning enraged over the possibility that Mr. Nethercutt might run again.

On the other hand, those that break their vow to leave can already have a taste of what may be in store for them in the form of a television advertisement run in Spokane recently by United States Term Limits, a Washington-based advocacy group that is threatening to spend millions of dollars in the elections next year to express its outrage over those who betrayed their cause.

The advertisement features footage of Richard Nixon's "I am not a crook" speech, George Bush's "Read my lips — no new taxes" pledge and Bill Clinton's finger-wagging declaration, "I did not have sexual relations with that woman."

And then it asks: "Will George Nethercutt be next?"

Mr. Nethercutt, 54, has sought to turn the advertisement against its creators, describing them as part of an "outside group that wants to poison the atmosphere in eastern Washington."

His spokesperson calls the spot "off the deep end" and says that despite the group's call for voters to flood the congressman's office with calls demanding that he leave office, most people are calling to urge him to run again.

The congressman, who now says it is not a good idea to have a district "perpetually served by freshmen," promises a firm decision sometime this spring.

The term-limits group is based in Washington and run by a libertarian, Paul Jacob. So far, its rumblings have delighted the Democrats, who feel they have an excellent chance to win in some of the districts where Republicans are in

the hot seat over term-limits pledges.

Republicans, who scored a stunning takeover of Congress in 1994 in part over the pledge to put more "citizen legislators" in the body, are openly torn on whether to stick with the theme, which could force them to jettison incumbents and create many more "open races" in coming years.

Brett Bader, a Republican consultant based in Seattle who has worked on races across the West, said in an interview, "We are in danger of eating our own word on this issue."

Not everyone who promised to leave in 2000 is agonizing over the pledge. Representative Matt Salmon of Arizona, who was elected in 1994 and who shortly after his swearing-in theatrically handed a resignation letter effective in 2001 to the congressional clerk, said he had no ambivalence about honoring his promise to leave Washington.

## POLITICAL

## Whitman May Hit Electoral Trouble

TRENTON, New Jersey — Governor Christie Whitman begins her run for the U.S. Senate with so many political advantages that it would be easy to mistake her for a prohibitive favorite.

The governor, who announced last week that she would seek the seat being vacated next year by Senator Frank Lautenberg, a Democrat, has been blessed with a robust economy and low unemployment rate. She faces no major primary challenge and can trumpet her own record of enacting 17 tax cuts.

But political analysts in both parties warn that the volatility of the New Jersey electorate, together with the fact that Mrs. Whitman has never managed to win more than 50 percent of the vote, will make the 19 months leading up to the general election tumultuous and unpredictable. Registered Democrats outnumber registered Republicans in New Jersey by 25 percent to 19 percent — nearly 300,000 voters — and that gap has widened in recent years. (NYT)

## Enduring Words

WASHINGTON — It seemed to veteran reporters that the news conference last week by President Bill Clinton and Prime Minister Zhu Rongqi of China was never going to end. It was scheduled for only 30 minutes, but Mr. Zhu, as he always does, insisted on consecutive translation as he went on and on.

But a study of Clinton news conferences indicates that, although it lasted an hour and 24 minutes, the gathering was not the longest of Mr. Clinton's presidency. That honor belongs to a one-hour, 34-minute spellbinder in December 1997 — which predated the Monica Lewinsky scandal.

Even so, this one, held in an overheated conference room in the Executive Office Building, seemed long enough. (WP)

## Quote/Unquote

Senator John McCain, Republican of Arizona, on why he wants a congressional resolution authorizing Mr. Clinton to "use all means necessary" to bring the Kosovo crisis to an end: "No military commander, past or present, would think that it's appropriate, that it's anything but foolishness, to say that you are not allowed to exercise any option or at least threaten it. It's not logical, and the administration has to change their position on that issue." (AP)

# Big Fish but Small Net As IRS Alters Auditing

By David Cay Johnston  
New York Times Service

NEW YORK — Tax returns from Americans earning more than \$100,000 a year and from the biggest corporations are increasingly escaping the scrutiny of the Internal Revenue Service, new agency figures show.

Just one of every 60 high-income tax returns was audited last year, compared with one in nine in 1988, according to IRS data analyzed by Syracuse University researchers. Among the 8,500 largest U.S. companies, slightly more than one in three was audited last year, down from two out of three in 1988.

While audit rates overall have fallen substantially since 1986, some tax experts and former IRS officials are worried that the decline in high-income and corporate audits may mean that reporting by many of the richest taxpayers is now effectively on an honor system, inviting abuses.

Many of the investments and deductions used by such taxpayers, these critics note, are not subject to the kinds of reporting required of employers, banks, mortgage lenders and others, which must pass along information on income and potential deductions to the IRS. For the less affluent, of course, most income taxes are withheld from paychecks.

"The fewer traffic policemen you have, the more chances people are going to take," said Donald Alexander, a Washington tax lawyer who was IRS commissioner in the Nixon administration. "And as people find that their neighbors are outpaying their fair share, they are encouraged to not pay their share, either."

The IRS contends that sufficient audits were conducted last year. The assistant commissioner for audits, Tom Smith, said that increased financial reporting requirements for employers and others, combined with changes in tax law, had reduced the need to audit wage earners.

## Away From Politics

Seven days after he entered a transparent coffin set 6 feet (1.8 meters) into the ground in New York, David Blaine was helped out Monday, looking fit but slightly wobbly. Hundreds of spectators cheered when the 3-ton tank of water that covered his see-through coffin was lifted and Mr. Blaine sat up and smiled. (AP)

A combination of aspirin and cholesterol-lowering drugs, already used by millions of Americans to keep their hearts healthy, may also significantly lower their risk of colon cancer, according to research released by the American Association for Cancer Research. (AP)

The U.S. Postal Service, having

Other strategies, such as tip-reporting agreements with restaurant owners, lower the need for audits, too, he said.

The decline in audit rates began in 1968 but accelerated in 1995, after Congress, by then controlled by Republicans, cut IRS spending sharply and required the agency to devote more resources to customer service. Republicans characterized the IRS as an agency that was out of control and that was intruding far too deeply into the lives of Americans.

Since 1992, the IRS has reduced the hours it spends auditing tax returns by 27 percent for individuals and 12 percent for corporations, according to the new data.

As a result, overall audit rates fell to record lows last year. Of the 120 million individual tax returns, only one in 217 was audited, down 36 percent from 1994. During the same period, the number of returns reflecting incomes of \$100,000 and up grew 62 percent, to 6 million.

The data also show the reversal of a trend that emerged a few years ago, in which audits rose for the lowest-income Americans; those making less than \$25,000. Last year, one in 370 such returns was audited, down from one in 178 in 1994.

Pamela Olson, a tax lawyer with the law firm of Weil, Gotshal & Manges in Washington who is a former chairwoman of the American Bar Association tax section, said she was neither surprised nor troubled by the drop in overall audit rates, given the increased reporting required of employers, lenders and others. She said that large, publicly traded companies also get sufficient scrutiny, not only from the IRS but also from independent auditors and the Securities and Exchange Commission.

But like a number of other tax experts, Ms. Olson said that the IRS paid too little attention to privately owned businesses. "They have not gotten much in the way of audit coverage, and this is where there is lots of room to play games," she said.

amassed more than \$5.2 billion in profits in the past five years, is expected to post a loss of \$281 million this year despite an increase in the price of first-class stamps — and a record volume of mail. Big mailers are taking advantage of discounted postage, forcing the agency to carry more letters at cheaper prices. (WP)

Two-thirds of licensed child-care centers had at least one condition last year that could be hazardous to children's safety, the Consumer Product Safety Commission said. (AP)

Heavy winds toppled a circus tent in Wanchese, North Carolina, injuring seven circus workers, minutes after the audience was evacuated. (AP)

# Cindy Crawford's Choice



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## The Battle for Kosovo / A Mobilization of Exiles

## NATO's 2 Fronts: Fighting the Serbs and Sustaining the Refugees

By Joseph Fitchett  
International Herald Tribune

PARIS — "Milosevic did us an enormous favor in expelling that half-million Albanians," the NATO ambassador of a European nation told friends over the weekend, explaining that international outrage at the plight of Kosovo refugees had helped the alliance pursue an air war that otherwise might be politically unpopular by now.

Airpower, as presented at the outset of hostilities, was going to deal a stunning blow to Slobodan Milosevic, the Yugoslav leader, compelling him almost immediately to accept a peace deal on Kosovo.

Nearly three weeks into an onslaught that has been widely criticized for its lack of strikingly visible results, the alliance's campaign has considerable public support as people in most countries have concluded that NATO was right to act against a man and regime capable of inflicting such mass pain on civilians.

This human dimension clearly has compelling urgency and potential uses for NATO, but it brings ambiguities that are already affecting the allied battle campaign in commanders' priorities and even in their ability to cope with limited resources that are apparently strained in trying to cope with military and civilian needs simultaneously.

The costs — both financial and political — will also certainly rise significantly as the campaign unfolds, preventing NATO from concentrating solely on its initial objective of making Belgrade suffer to the point of surrendering local control in Kosovo.

The commitment to humanitarian goals, notably the idea of making good the Kosovars' losses, are bound to weigh heavily in the shaping of a settlement, Western officials said Monday.

Already, the conflicting claims of warfare and relief are affecting allied battle plans. In Albania, the arrival of U.S. Apache helicopters, whose presence would pose a clear threat of ground war

against Serbian forces, is being delayed for days or weeks, according to General Wesley Clark, NATO's supreme commander, because Albania's limited airfield capacity has to be devoted to relief work for refugees.

In a small country where the administration and infrastructure of a state barely exist, the influx of tens of thousands of ethnic Albanian refugees, who have to be fed and housed, persuaded the Albanian government to turn to NATO for help.

But Albania's dependence on NATO could lead to allied "mission creep" and military escalation if the alliance's presence leads to a widening war. Within hours of the alliance's decision Sunday to launch Operation Allied Force to handle humanitarian relief for Albania, Tirana publicly appealed to NATO to take military action against Serbian forces that have been shelling Albanian border villages for days.

Belgrade claims that its artillery and heavy mortars are being used against sanctuaries of the Kosovo Liberation Army guerrillas along the

mountainous northern Albanian frontier with Kosovo; but Tirana invokes Belgrade's threats against it over the rebels as its reason for letting NATO use its soil.

For some strategists, the refugee drama would serve a good purpose if it propelled NATO into a more determined drive against Mr. Milosevic. But experts said that these risks only become advantages if they have been clearly understood by NATO and that the stakes seem bound to increase.

While a helping hand from the military for suffering civilians is as old as warfare, it is new for this humanitarian theme to occupy such a central place in a campaign by armed forces.

To a still unmeasured degree, the vow to restore the Kosovars' homeland shifts the war aim away from protecting the allies' national interests to restoring those of another society.

Financially, the price of relief is a tiny fraction of full amount that will be needed to reconstruct Kosovo as a functioning homeland for the ethnic Albanians. In practice, that cost would probably

be subsumed in a wider reconstruction drive for the Balkans, a regional plan already circulating as an indispensable step toward postwar stability.

But the political costs could constrain NATO leaders sharply in shaping a political settlement. "The political leaders don't seem to grasp the fact that the war's outcome will be measured by the yardstick of humanitarian commitment that they have brandished," a French official said.

In trying to frame a settlement to end the fighting, Western officials may well be constrained by the need to weigh political gains — and even concede them in some cases — in the light of humanitarian considerations and Belgrade's willingness to cut a deal.

Far from hypothetical, a trade-off of this kind turned out to be pivotal in the Dayton peace accords about Bosnia.

That accord included a right of return for refugees, but the official provision was cast in a way that made it implicitly a dead letter in order to get Mr. Milosevic's acceptance, according to officials who helped draft it.

## American Forces Set Up Shop at Albanian Airport

U.S. Controls Air Traffic for Relief Mission

By Anthony DePalma  
New York Times Service

TIRANA, Albania — As the debate about committing ground troops to Yugoslavia continues, close to 500 U.S. military personnel are already on the ground in Albania, backed by a fleet of Sea Dragon helicopters and tons of equipment, but as yet none of the Apache attack helicopters that are expected to lead an assault on Serbian forces.

On Monday morning, U.S. soldiers manned the gates to Rinas Airport, Albania's most important air field. U.S. Air Force personnel have also taken almost complete charge of the airport's air traffic control tower after the vote last week by the Albanian Parliament to effectively surrender control of Albanian air space and military bases to the allied forces.

In Brussels, North Atlantic Treaty Organization officials said there was no intention to introduce ground troops into Yugoslavia, but they warned Serbia against attempting to widen the conflict by provoking other countries.

On Monday, Albania's president, Rexhep Meidani, called a Serb attack on a northern Albanian village this weekend "a clear aggression" by Serbia and an attempt to widen the scope of the war. The assault killed two civilians and wounded eight others as well as a man identified as a French reporter.

Mr. Meidani vowed to "resist all types of provocation" and to continue supporting the NATO allies in every way possible.

That includes allowing the U.S. Air Force to install sophisticated navigational and guidance systems and station troops at the Rinas Airport, which handles both commercial and military operations.

With the equipment, the airstrip could be used in the dark for the first time Sunday night. Big C-17s and other cargo planes were landing on average every hour throughout the day.

U.S. military officials say that their primary mission is to provide humanitarian relief to the hundreds of thousands of Kosovo refugees in remote camps in Albania. But advance teams

"There's a lot more multinational cooperation than I've seen on other missions. Everybody's fired up about being involved."

from the U.S. Army were beginning to work on preparations to receive the 24 Apache helicopters, which are expected to fly out of a portion of the airport, or perhaps from a nearby location, officers said.

Deployment of the Apaches has been delayed by the primitive conditions of the Albanian airstrip.

Establishing fueling, maintenance and security services for the Apaches and their support crews are the advance team's immediate focus, said Major Thomas Dolney, a U.S. Air Force spokesman at Rinas Airport.

The airport, on the outskirts of Tirana, is so rundown and ill equipped that when the first humanitarian and military supplies arrived here more than two weeks ago, there was not one workable forklift available to help unload the aircraft that brought them. The airstrip was built between the first and second world wars, and was extended by Italian occupation forces.

During the long period of Albania's isolation after World War II, when most Albanians were not allowed to leave the country and few outsiders were permitted to enter, the airport was used

primarily by the longtime dictator, Enver Hoxha, to greet Communist dignitaries.

Along with the U.S. troops, 150 French military personnel, and troops from Greece, Turkey and Italy, appear to be working together for the most part at Rinas Airport.

"There's a lot more multinational cooperation than I've seen on other missions," said Chief Warrant Officer Steven Weagle, a 25-year veteran now with the Sea Dragon team from the U.S. minesweeper Incheon, anchored in the Adriatic Sea. "Everybody's fired up about being involved."

Lieutenant Gregory Geisen of the U.S. Navy's 6th Fleet headquarters, said the addition Monday of 10 heavy-duty Sea Dragon helicopters had significantly increased the ability to lift food, blankets and other humanitarian supplies to hard-pressed refugee camps like those at Kukes, in northern Albania.

The helicopters can carry up to 16 tons of equipment and can make several trips daily.

That will relieve some of the pressure on the French forces, which have been providing the bulk of the transportation of humanitarian supplies until now. In all, the relief supplies are being transported by 11 different organizations, including the United Nations.

While U.S. troops tried to erect their tents near muddy fields Monday, the dusty Rinas airstrip was covered with pallets of blankets, high-nutrition drinks and sacks of wheat.

The deliveries are being coordinated by the UN High Commissioner for Refugees.

In an unusual move last week, the Albanian Parliament voted to offer the NATO allies control of the air space over the nation to coordinate relief and military efforts.

"It was the widest possible expression of support," said Mentor Nazarko, an assistant to President Meidani.

Albanian troops continue to be present at Rinas Airport, but mostly are involved in controlling traffic at the entrance gate and assisting in handling security.

"We're working in cooperation with the Albanians," said Major Dolney of the air force, "but the U.S. controls the air space."

Also Monday, a French commando team on a rescue mission landed two Puma helicopters in a remote area of northern Albania where members of the Kosovo Liberation Army are believed to have set up camp. The commandos were responding to reports that a French reporter had been hurt in the bloodiest border skirmish yet between Serbia and Albania.

Captain Guillaume de Saint-Bon said the helicopters, which carried three doctors and 10 commandos, landed near a soccer stadium in Bajram Curri, the provincial capital of the Tropoja region in northern Albania, near the border with Kosovo.

Albanian officials said that Serbian forces fired mortar rounds and used automatic weapons against a group of border policemen and Albanian civilians at a remote border crossing, the latest in a series of such incidents.

Two Albanians died when their car was hit with a mortar shell, an Albanian official said. Eight others were wounded.

The Albanian government said it had evacuated civilians from the area where the skirmish took place. Albania will respond to further aggression by the Serbs, said Mr. Nazarko, of the Albanian president's office, but will not cross the border into Serbian territory.

Captain de Saint-Bon said that he did not know the reporter's identity but that the man's thigh bone had been shattered by a bullet. The reporter was flown back to Rinas Airport early Monday, where he was transferred to an ambulance and taken to a local hospital.



Ethnic Albanian recruits arriving in Durres, Albania, from Germany, Canada and the United States, following a call by the Kosovo Liberation Army for a general mobilization of men between the ages of 18 and 55.

## Kosovo's Patriotic Call Lures Hundreds in U.S.

Recruits Head for Europe to Join the Battle

By Barbara Stewart  
New York Times Service

NEW YORK — When Majlira Shala's favorite cousin drove her to Kennedy International Airport for an Easter visit to Detroit, she remembers him making a little joke: "Maybe when you get back, I will be gone to liberate Kosovo."

Ms. Shala was still in Michigan last Friday when her cousin, Victor Ljekocaj, called her on the phone. "He said, 'I'm going to be a soldier,'" Ms. Shala recalled Sunday.

"I love my country," Mr. Ljekocaj told his cousin. "If you want to see me, come Sunday at 1."

On Sunday, Mr. Ljekocaj and about 300 other Albanian-Americans, mostly young men, and a handful of women, formed ranks on a parking lot in Yonkers, New York, dressed in newly bought camouflage fatigues bearing the red-and-gold insignia of the Kosovo Liberation Army.

The volunteer soldiers, who included a 17-year-old female high school student from the Bronx and a 60-year-old man, were to fly from Kennedy International Airport this week to an undisclosed city in Europe, and from there to training grounds in Albania.

Albanian emigres say it is a story that has been repeated in Albanian communities in Europe since NATO started bombing Yugoslavia and the Serbs drove hundreds of thousands of ethnic Albanians from their homes in Kosovo.

While all the recruits in Yonkers say they have relatives in Kosovo, many were born in the United States, and some have never set foot in the Balkans.

Ms. Shala and 15 or 16 relatives flew to New York early Sunday to see Mr. Ljekocaj off. "We all tried to stop him," she said. "But he's doing it from the heart."

As patriotic exhortations of Albanian-American leaders boomed from loudspeakers, the recruits and the crush of their relatives shivered in the raw chilly wind — weather that seemed to match

both the fervor and sorrow in the air.

One woman, her face spotted with rain and tears, spoke of her relatives on the way to the Balkans to fight in the ranks of a rebel army that is heavily outgunned by the Yugoslavs.

"One brother-in-law, three sons, my favorite uncle," she said.

"I don't know if they are coming back, but Milosevic is a Hitler, this is another Holocaust," she said. "But it's happening now, in real life, not on TV."

People around the United States have felt revulsion at the developments in Kosovo, but for Albanian-Americans, many of whom have family members in Kosovo, these weeks have been the most agonizing in a year of grief, since the undeclared war between Serbian security forces and the Kosovo Liberation Army erupted in March 1998.

The calls for volunteers to stave off the destruction of the homeland began showing up in Albanian-language newspapers and radio programs after the first NATO bombings three weeks ago.

Before the bombing started, the Kosovo rebels "wanted our money more," said Shaban Brahmani, a computer programmer who lives in the Bronx and is an American citizen.

"However, now they are saying, 'Help our country now or it will be never.'"

Since the massacre of guerrillas and their families in Kosovo in March last year, the majority of expatriate Albanians began sending financial aid to the guerrillas. The money enabled the rebels to buy weapons and helped its ranks swell.

Albanian-American community leaders say there are about 500,000 people of Albanian descent in the United States, half of them in New York, New Jersey and Connecticut.

They are now donating tens of thousands of dollars to the rebels, according to Hysni Sylja, a Liberation Army representative for the United States and Canada. Those figures could not be confirmed.

## Milosevic Uses the War To Clamp Down on Press

By James Rupert  
Washington Post Service

PODGORICA, Yugoslavia — A few days ago, after the newspaper editor Jovan Mitrovic published a front-page interview with the British prime minister, Tony Blair, readers complained.

Yugoslav Army officers, led by a Colonel Milen Simic, visited Mr. Mitrovic's newsroom to warn him that his newspaper, Vijesti, "was spreading NATO propaganda and was not patriotically oriented enough," Mr. Mitrovic said. "They said that if we do not change, they will prosecute us in a military court they have set up" under the state of wartime emergency declared last month by President Slobodan Milosevic.

Mr. Mitrovic has used his struggle with NATO over Kosovo to silence independent news media in Serbia. Here in Montenegro, the other, much smaller republic in the Yugoslav federation, the army has warned independent newspapers and broadcasters to obey Mr. Milosevic's censorship policies.

"The war is helping Milosevic" in his campaign to squelch his last effective political opposition within Yugoslavia — that of independent-minded Montenegrins and their government, Mr. Mitrovic said.

Montenegrin journalists and politicians say that in Mr. Milosevic's effort to subdue Montenegro, a growing battle over the independence of its press is critical.

Mr. Mitrovic was speaking last week, before the assassination in Belgrade on Sunday of Slavko Curuvija, publisher of the Daily Telegraph, the first independent daily newspaper established in Serbia. Mr. Curuvija had been accused by a pro-government paper days earlier of supporting the NATO bombing campaign.

Within the Yugoslav federation, Montenegro is an uncertain, overshadowed partner, its population of 600,000 dwarfed by the 10 million of Serbia. Montenegrins and Serbs share the Serbian language, nearly identical cultures and Orthodox Christianity. But Montenegro was independent for centuries before Serbia absorbed it in 1918 in a strong-arm move over which many Montenegrins still voice resentment.

And Mr. Milosevic's decade of strident Serbian nationalist rule has revived a sense of separate identity among many Montenegrins.

Montenegro maintains that the Yugoslav government, as currently constituted, is illegal, and Montenegro has been refusing to follow its orders. Some officials in Belgrade have thus accused the Montenegro government of treason.

The Yugoslav Army command for Montenegro last week advised inde-

pendent radio stations to stop rebroadcasting news from foreign stations such as Radio Free Europe and the Voice of America. General Miroslav Obradovic, a Milosevic loyalist who commands army forces in Montenegro, raised the issue in a meeting last week with the president of Montenegro, Milo Djukanovic, local journalists said.

On Saturday, the main pro-Milosevic political force here, the Socialist People's Party, said the Montenegrin government must let the army help censor news to eliminate "all statements not in favor of the defense of the country." The Podgorica government has issued a statement rejecting any attempt at censorship, saying that the independent media "so far" have done nothing to endanger Yugoslav security.

Control over the news media has always been essential to Milosevic and his rule," said Drasko Djuranovic, editor of an independent weekly here, the Monitor. Before Mr. Milosevic rose to power in Belgrade, the Cold War-era Yugoslavia had a reputation for having the freest, most vibrant press in Eastern Europe. During his decade in power, Mr. Milosevic has controlled the most politically powerful medium, television, and marginalized independent radio stations and newspapers until he finally imposed full censorship in his conflict with NATO.

Two years ago, as Montenegrins took sides over Mr. Milosevic's Serbian nationalism, the pro-Milosevic party here split. Mr. Djukanovic's more independent-minded wing won elections in 1997 and has pursued contacts with the West. His policies have encouraged the growth of Montenegro's independent media, which include several newspapers and five radio and four television channels. Montenegro was something of a haven for Belgrade's independent press until the current shutdown, with two dailies — Danas and the Daily Telegraph — printed here to avoid harassment.

## Worker for CARE Admits Being a Spy, Yugoslavia Charges

Reuters

LONDON — A Yugoslav official said Monday that a detained Australian aid worker had confessed that he had a spy network in Yugoslavia.

The Yugoslav spokesman, Milisav Pajic, making the first government comment on a state television broadcast Sunday that showed the Australian, Steve Pratt, confessing to being a spy, said the Australian was under investigation.

"He was apprehended by our authorities for some kind of spy work in Yugoslavia, and he confessed that he had an entire spy network and that he abused his associates which are of Yugoslav nationality," Mr. Pajic told Cable News Network. He said Mr. Pratt, 49, was in good health.

Mr. Pratt, head of CARE Australia's operation in Yugoslavia, disappeared with a colleague, Peter Wallace, on his way out of Serbia on March 31. Mr. Wallace was never seen nor mentioned in the broadcast Sunday.

Serbian television news showed Mr. Pratt in profile slumped at a high table with a caption describing him as "Major Steve Pratt."

He bore no obvious signs of physical mistreatment and spoke calmly and clearly, beginning by stating his name and citizenship and listing the countries where he had previously worked.

Australia on Monday denounced the Yugoslav claim as preposterous. Foreign Minister Alexander Downer said he had demanded the immediate release of Mr. Pratt and Mr. Wallace.

Mr. Downer said Yugoslav officials had put words in Mr. Pratt's mouth. Mr. Pratt's employer, CARE Australia, said his confession had been made under duress.

## Rugova 'Not Free,' Relative Declares

Agence France-Press

MADRID — Ibrahim Rugova, the leading ethnic Albanian political figure, "is not free" because Serbian policemen are watching his every move at his home in Pristina, Mr. Rugova's brother-in-law, at a refugee in a camp in Macedonia, has told Cadena Ser, a Spanish radio station.

"He is in his house, but there are Serb police inside, both upstairs and downstairs and the house only has two rooms," the relative, Sabedin Haliti, told a Cadena Ser journalist.

Mr. Haliti added that Mr. Rugova had been "pressured" at an April 1 meeting in Belgrade with President Slobodan Milosevic, when the two reportedly committed themselves to seek peace in Kosovo.

"He was under pressure because there are seven children in his home," Mr. Haliti said, according to the radio service.

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## EUROPE

15

## Schroeder Takes Control of Party

### Congress Backs Kosovo Policy

By John Schmid  
International Herald Tribune

BONN — Chancellor Gerhard Schröder expanded his authority Monday when the Social Democrats confirmed him at a special convention as their first chancellor in 25 years to hold the party's chairmanship.

In the process, Mr. Schröder quelled dissent in his party over Germany's participation in the North Atlantic Treaty Organization's air strikes on Yugoslavia, where Germany's first use of military force in a half-century has caused an agonized debate inside the center-left party.

"This means a fundamental change in German foreign and security policy," Mr. Schröder said after delegates endorsed a resolution that supports Bonn's participation in the air assaults, defeating a rival resolution from party leftists that demanded a cease-fire.

"No other German government has been in this difficult situation," Mr. Schröder told the convention, which he initially convened to rubber-stamp his nomination to replace Oskar Lafontaine.

In the month since Mr. Lafontaine's resignation, the congress has rapidly evolved into a forum to air the party's unease over NATO's air assaults.

Mr. Schröder, a pro-business centrist who has riled the party's traditional left wing, fell short of the overwhelming approval he sought from the party delegates gathered in Bonn.

Foreshadowing possible difficulties in steering his notoriously split party, the 457 delegates gave Mr. Schröder just under 76 percent of the vote, below the 80 percent that Mr. Schröder's supporters sought as an unequivocal stamp of his influence on the party.

The result disappointed party officials, who had predicted that Mr. Schröder, who ran unopposed for the party's top position, was bound to clear the psychologically important 80 percent hurdle.

In a self-effacing admission of his erstwhile status as party outsider, Mr. Schröder conceded in his keynote speech that the common perception is "that the party does not love me" and that "there is a bit of truth in that."

Votes over the twin Kosovo resolutions were taken by a show of hands and veiled the exact magnitude of dissent over Mr. Schröder's pro-NATO stance in Yugoslavia.

Although few expected the party to adopt a pacifist stance, the minority resolution would have forced Germany to withdraw from its first combat assignment since World War II.

Party delegates, however, did inhibit future room for maneuver on the question of sending ground troops into Kosovo.

The resolution that passed with Mr. Schröder's approval included a clause that explicitly rejects the possibility of German soldiers participating in any possible troop deployments.

In his speech, Mr. Schröder hewed closely to the NATO line, but denied criticisms from party leftists that he has become an instrument of U.S. policy. "We were not pressured by our partners," he said. "As free men we act, pressured by no one."

"For Germany to go it alone, to break away from the alliance, that will not happen with this government," the chancellor said.

The Balkans, he added, need a "sort of Marshall Plan" in the reconstruction following the bombing.

Appealing to Germany's own experience with dictatorship, Mr. Schröder said Germany had a "historic responsibility" to support military action.

"Especially we Germans, who have brought guilt upon ourselves in our history and suffered under murderous dictatorial regimes, cannot close our eyes to murder and deportations," he said.

Mr. Schröder said in an interview in the latest edition of Der Spiegel newsmagazine: "It is a fundamental change in our foreign policy, but it also has something to do with a more mature nation."

With his new position as party chairman, Mr. Schröder enhances his political control in what his supporters hope will be a turnaround for his six-month-old government.

The party election Monday makes the 55-year-old Mr. Schröder the most powerful Social Democrat since Willy Brandt, the last chancellor to hold the party's reins, resigned in 1974. Helmut Schmidt, who followed Mr. Brandt as chancellor, never held the party chairmanship.

The new authority could help Mr. Schröder to overcome months of strains within his two-party coalition with the Greens and within his own party, whose divisions have prompted speculation that the ideologically divided coalition might implode.

## BRIEFLY

### A Move to Oust Yeltsin Is Put Off

MOSCOW — The State Duma, Russia's lower house of Parliament, agreed on Monday to put off a debate planned for Thursday on whether to impeach President Boris Yeltsin.

The decision, coming at a time when Mr. Yeltsin has taken an unusually high profile after several years of on-and-off illness, spares him from scrutiny on five possible impeachment charges. But his office said he would have preferred to face the impeachment vote now rather than later.

"The president reiterated his position that the issue should either be considered now or dropped for good," a spokesman said after Mr. Yeltsin spoke to the Duma speaker, Gennadiy Seleznev, by telephone. (Reuters)

### Truckers in Britain Clog 8 Cities

LONDON — Hundreds of trucks jammed Park Lane, the traffic artery on the eastern end of Hyde Park in London, and the centers of seven other major British cities Monday to protest higher taxes on diesel fuel and on heavy-vehicle licenses.

The truckers, who say their Continental rivals have lower operating costs, rumbled down four major highways leading into the capital — the M1, M2, M4 and M25 — bringing traffic to a halt along some stretches.

Protests also disrupted traffic in Scotland's two major cities, Edinburgh and Glasgow, and as well as in the English cities of Newcastle, Middlesbrough, Manchester, Truro and Plymouth. (Reuters)

### Swiss Open Trial of a Rwandan

LAUSANNE, Switzerland — The first war crimes trial of a Rwandan in a foreign country's courts opened Monday, with a former mayor facing possible life imprisonment on charges including murder and incitement to murder.

Fulgence Niyontaze is suspected by prosecutors at the Swiss military tribunal in Lausanne of inciting Hutu extremists to kill Tutsi and moderate Hutu and of supplying weapons.

Mr. Niyontaze, 34, was head of the community of Mushubati in the Rwandan province of Gikuma, 50 kilometers (30 miles) southwest of the capital city, Kigali, during the African country's turmoil in 1994. (AP)

### For the Record

Belgium has reported an eighth case of "mad cow disease" also known as bovine spongiform encephalopathy. The case was detected during tests on a cow nearly nine years old from a farm in the province of Liege. Investigators were old from a farm in the province of Liege. Investigators were destroying all 161 cattle on the farm and testing the brains of all cows over two years old. (AP)



**FATAL PLUNGE** — An elevated train, part of the Ruhr Valley's historic Schwebelbahn system, in riverwater Monday after it derailed and crashed in Wuppertal, killing three commuters.

## War Crimes Trial of Croat Begins

By Marlies Simons  
New York Times Service

THE HAGUE — An influential Bosnian Croat politician, a former ally of the president of Croatia, went on trial Monday before the international war crimes tribunal here, a process that is likely to throw the spotlight on Croatia's role in the Bosnia conflict.

The politician, Dario Kordic, is accused of a series of war crimes against Muslims of Bosnia. He was the leader of the Bosnian wing of the political party of Croatia's president, Franjo Tudjman.

Because he was a key political figure when not only Serbia but also Croatia instigated violence in Bosnia, prosecutors in The Hague considered Mr. Kordic one of the most wanted war crimes suspects on the Croatian side of the Bosnian war.

He was charged in 1995 with ordering the expulsion and killing of scores of Muslim families living in the Lasva Valley of central Bosnia.

Prosecutors have argued that the expulsions were part of a 1993 strategy to empty the valley of its Muslim inhabitants and give the party affiliated with Mr. Tudjman control over a central part of Bosnia. They say the ultimate political and military goal was to annex part of Bosnia to Croatia.

The Kordic trial begins as the trial of another senior Bosnian Croat, Tihomir

Blaskic, a general during the Bosnian conflict, is under way at the tribunal. Mr. Blaskic, who was charged in some of the same incidents as Mr. Kordic, gave himself up to the tribunal in 1996.

A military commander, Mario Cerkez, will be tried with Mr. Kordic. Mr. Cerkez, 40, a Bosnian Croat, was the local military commander of the so-called Croatian Defense Council in the town of Vitez and one of Mr. Blaskic's subordinates.

He surrendered to the tribunal at the same time as Mr. Kordic.

Mr. Cerkez, too, has been charged with war crimes. Both men have pleaded not guilty.

The prosecutor, Graham Nice, sketched a picture of a Bosnian Croat leadership that was weakened by individual character flaws and riddled with corruption, Reuters reported.

[The accused may not have set out to commit war crimes, he said, but they had allowed themselves to be caught up in a vortex of horror in the former Yugoslavia.]

"By whatever process men find themselves in positions of power and responsibility, if they abuse the power and fail to discharge the responsibilities they must face the consequences of their actions and failures," Mr. Nice told the court.

[The defense counsel for Mr. Kordic said it would defer its opening statement

until the prosecution had presented its case.]

Mr. Kordic surrendered to the tribunal in October 1997 after intense pressure from U.S. and European governments on President Tudjman. Washington went as far as blocking loans to Croatia from the World Bank and the International Monetary Fund.

For months after his indictment and until his surrender, Mr. Kordic enjoyed high-level protection and lived in an apartment in Zagreb, the Croatian capital, that was reportedly owned by the government.

Lawyers familiar with trial here see it as significant that even now Mr. Kordic's defense lawyers are being paid for by the Croatian government. In most cases so far, the tribunal itself has paid for defense counsel.

Investigators and diplomats say Mr. Kordic knew a great deal about the inner workings of the Zagreb government during the Bosnia war.

As part of the political inner circle, he could offer important evidence about the Croatian leaders behind Zagreb's version of "ethnic cleansing" in Bosnia, the strategy of getting rid of Muslim, Serbian and other non-Croatian civilians by terrorizing them.

Diplomats say Mr. Tudjman is under investigation in a range of ethnic cleansing incidents during the war that followed the breakup of Yugoslavia.



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## The Battle for Kosovo / For Moscow, a Love-Hate Relationship With Washington

## Once Again in Russia, Anti-American Sentiments Are the Vogue

By Michael Wines  
New York Times Service

MOSCOW — The air strikes and missile attacks against Yugoslavia by the North Atlantic Treaty Organization may or may not help the Kosovo ethnic Albanians, but a thousand miles away, they have already had a profound effect.

After eight long-suffering years, it is once again acceptable — even expected — for Russians to dislike Americans.

Enough Russians have embraced animosity, and with such sudden fervor, that some experts here say it threatens to become the guiding force in a relationship that has little else going for it.

Anti-Americanism is not universal — far from it — but in this cosmopolitan capital, the shift in public sentiment in the three weeks since the NATO bombing began has been both swift and very apparent.

It is not rare for Americans to be criticized or harassed on the streets.

The mainstream Moscow newspaper, *Komsomolskaya Pravda*, captured the prickly nature of popular feeling this week in a full-page article bearing the eye-catching headline, "This is the

way we shoot down Americans! Yugoslav pilots share their first combat experience."

In a nationwide survey of 1,600 Russians, the All-Russian Center for Public Opinion Studies concluded that only 39 percent of respondents had positive feelings about the United States in March, compared with 67 percent just three months earlier.

The share of Russians who said their view of America was "mainly bad" or "very bad" more than doubled, to 49 percent from 23 percent.

Russia's Communist-trained political class has always held the United States in low regard, said Andrei Pionkovsky, a well-known political analyst here. But never — until now — has the contempt made the leap to large segments of the general public.

"Anti-Americanism really may be becoming the Russian national idea that we have been searching for," he said.

Many would dispute that. Like much of the world, Russia seems to carry on a love-hate relationship with the United States, envying its wealth and power while soaking up its culture and exports.

But there is no doubt that anti-American feelings are what is currently driving Russian policy, both foreign and domestic.

The welling up of anti-Americanism has put one of the United States' more reliable Russian allies, President Boris Yeltsin, in an exquisite political vise.

Mr. Yeltsin surely faces another economic

ering nothing of the kind.

Mr. Yeltsin's government has sounded so tough toward Washington, joked Valentin Chikin, editor of the reliably Communist newspaper *Sovetskaya Rossiya*, that both the defense and foreign ministers sounded like clones of Communist Party leaders in the legislature.

Russia's anti-American anger over the attacks on Yugoslavia may understandably puzzle Americans. Yugoslavia, after all, shares no border with Russia and was not even a reliably pro-Moscow ally during the days of Soviet empire.

Its president, Slobodan Milosevic, is hardly the sort of leader most governments would willingly endorse, much less risk a global crisis over.

But Russians view the bombing of Yugoslavia through a different and darker lens. To most of them, the NATO bombing campaign is the latest and most flagrant instance in which the United States has ignored Russian wishes, gone back on its word, rubbed Moscow's nose in its new second-tier status — or all three.

Rightly or not, Russian illusions about democracy and the American character have

already been shattered by Russia's disastrous introduction to capitalism, said Sergei Rogov, who directs the Institute for the Study of the U.S. and Canada here.

Many Russians were led to believe that the United States would spend billions of dollars, Marshall Plan-style, to ease Russia's transition from Marxist central planning to market capitalism, he said. When the money failed to arrive and the transition foundered, the Russian reaction was to feel betrayed.

"The outcome," Mr. Rogov said, "created the perception that the United States was doing it on purpose — trying to undermine Russia as an economic and political competitor."

U.S. military policy has only reinforced the average Russian's suspicions, Mr. Rogov said.

"Russians felt that we ended the Cold War and started to behave nicely by dissolving the Warsaw Pact, withdrawing troops, cutting arms. And thus the very maintenance of NATO was seen as strange," he said.

"But the enlargement of NATO, with NATO absorbing former Soviet clients — that was interpreted as a symbol of Western mistrust toward Russia, and some even said hostile intentions."

## U.S. Warns the Russians On Military Aid for Serbs

By Michael R. Gordon  
New York Times Service

BRUSSELS — The United States has quietly warned Russia against providing military intelligence or assistance to Yugoslavia, according to senior Western officials. The warning follows bitter complaints from Moscow about NATO's air strikes.

The Kremlin has dispatched a Russian spy ship toward the Adriatic, where the U.S. aircraft carrier Theodore Roosevelt and other alliance ships have been participating in the air war against Yugoslavia.

Russian officials, a senior Western official said, "have been told that any effort by them to intervene in a militarily significant way could have very serious consequences."

The allies have not said what these consequences could be. But evidence that Russia was helping Belgrade would undermine public support in the West for loans to Russia.

Until now, President Boris Yeltsin of Russia, while critical of NATO, has pledged to stay out of the conflict in Yugoslavia. But he has said that he will reconsider if NATO troops enter Kosovo.

The warnings from the West, officials said, were prompted by demands by some Russians in Parliament that Moscow share intelligence with Yugoslavia, provide arms, send military advisers or even recruit volunteers to fight.

So far, a senior Western official said, there is no proof of any such cooperation. The caution comes as the already wide gap between NATO and Russians over the Yugoslav crisis appears to be widening.

Many Russian nationalist and Communist politicians have expressed support for the Serbs and have little sympathy for the plight of the Kosovar Albanians, whom they view as Muslim separatists.

While Russia's vitriolic words have far outstripped its actions, it has taken several steps that concerned military specialists here. Prime Minister Yevgeni Primakov, for example, took two senior intelligence officials with him when he went to Belgrade last month for talks: Colonel General Valentin Korabelnikov, head of intelligence for the Russian military, and Vyacheslav Tрубников, head of the Foreign Intelligence Service, the Russian successor to the Soviet KGB.

That raised the possibility that Russia might provide Belgrade with intelligence about how to fight the West. Additionally, a Russian intelligence ship, the *Liman*, left the port of Sevastopol soon after Mr. Primakov's visit in a step that Russian officials described as a response to the allied air strikes. Built in Poland in 1972, the surveillance ship is now sailing around the north Ionian Sea, just south of the Adriatic, NATO military officials said.

A flotilla of ships, which Russia also talked about sending to the Adriatic, has yet to leave the Black Sea. The political sensitivities surrounding the dispatch of the Russian spy vessel may exceed its military capabilities.

Even Pentagon officials are divided over its military significance. One senior Pentagon official described the ship as a giant electronic "sponge," which is designed to intercept communications by allied warships. He said it was possible that the Russians dispatched the ship to learn about Western military operations for the benefit of their own military.



A group of ethnic Albanians, above, arriving on foot at the Montenegrin village of Balotici after traveling three days across the mountains from Kosovo. About 43,000 refugees have arrived in the small republic of Montenegro since March 24. At left, refugees ready to depart by bus Monday to refugee camps after they crossed the Yugoslav-Macedonian border to the town of Blace. Yugoslav authorities had closed frontier crossings to Macedonia and Albania last week, halting a mass exodus of Kosovo Albanians, but late Monday they reopened the main crossing into Albania to expel several new refugees.

Ung. Popov/Rosetta



## KOSOVO: NATO Plans Urgent Steps to Help Refugees in Hiding

Continued from Page 1

national protectorate that would allow participation both by Russia and the United Nations.

To date, NATO policy has focused on getting Mr. Milosevic to grant Kosovo a greater degree of autonomy within the two-republic Federation of Yugoslavia.

The U.S. State Department spokesman, James Rubin, said the allies were discussing making the province a "protected area" rather than a formal protectorate.

Foreign Minister Hubert Vedrine of France said the question was how to ensure that Albanians, Serbs and other minorities could live together in Kosovo in future. He said NATO was opposed to partitioning the province. But the form of international control for the province "has still to be defined," he said.

Meeting at NATO headquarters to underline their resolve, the foreign ministers insisted that air strikes would continue until Mr. Milosevic acceded to five conditions:

- Ensure a verifiable stop to all military action and the immediate ending of violence and repression.
- Agree to the stationing in Kosovo of an international military presence.
- Ensure the withdrawal from Kosovo of the military, police and paramilitary forces.

• Agree to the unconditional and safe return of all refugees and displaced persons, and unhindered access to them by humanitarian aid organizations.

• Provide credible assurance of his willingness to work on the basis of the Rambouillet Accords in the establishment of a political framework for Kosovo in conformity with international law and the charter of the United Nations.

The NATO statement went further than the Rambouillet documents in demanding the withdrawal of all Serbian military forces from Kosovo. The accords would have allowed Yugoslavia to keep up to 5,000 troops in the province.

The British foreign secretary, Robin

Cook, said that any settlement that did not reverse the program of ethnic cleansing would be unacceptable to NATO.

"Anything less than that would be to reward him for emptying Kosovo of its people," he said.

Meanwhile, the Turkish foreign minister Ismail Cem said his country and Greece should be included in the decision-making process of the international contact group on Kosovo, because they faced a widespread and long-term danger of the conflict's spilling over and affecting them.

In Moscow, officials said Mr. Yeltsin had urged Mr. Chirac to use France's influence to stop the air strikes.

The statement by NATO ministers said the alliance would respond to any challenges to the security of Albania and Macedonia stemming from the presence of NATO forces in those countries. And it warned that any Yugoslav action to oust or destabilize the pro-Western government of Montenegro would have "grave consequences."

The NATO statement had nothing to say about the possibility of introducing ground forces into the conflict, limiting itself to reiterating the position that air strikes would continue until Mr. Milosevic huddled.

But in Washington earlier, the chairman of the Joint Chiefs of Staff, General Henry Shelton, and senior administration officials talked more openly about the possibility that ground troops would be sent to Kosovo. They said that contingency plans for the use of ground forces had already been prepared.

But President Bill Clinton's chief of staff, John Podesta, said that "the president does not have the intention to use ground troops," but that "plans and assessments could be updated quickly if we decide to do that — need to do that."

The British foreign secretary said there was no change in NATO's position that it would not send ground troops into a hostile environment.

## TRAIN: Death From the Sky

Continued from Page 1

"There was no intent to hit the train," said an alliance spokesman, Jamie Shea. "Regrettably, we cannot exclude the possibility of casualties in this instance."

The casualties were not hard to find. Three railway cars were incinerated, still hot and smoking three hours later, when the first journalists arrived.

On the grassy verge next to the tracks, close to a small plowed field turning green, two hay ricks and a street of damaged houses, nine charred and broken corpses lay heaped by a small, broken tree. Their clothes had been blown or burned away.

Police and army officers had begun to arrive in groups in direct traffic, get the earthmovers working on a makeshift detour around the holed highway bridge and to keep the curious away.

Three men wearing transparent plastic gloves walked up to the grassy verge with a cheap coffin, pale knotty wood on the inside, the outside stained a not very convincing darker brown.

One man, in blue overalls, picked up a female torso, from the neck to the buttocks, and placed it into the coffin. He then bent down and lightly tossed, underarm, a blackened arm into the coffin, picking up his head in stare at the smoldering cars, the rushing river below and the steep hills, dotted with spring greenery and flowering fruit trees.

The smell of spring was strong, lush and damp, quickly overtaken by that of burning oil, rubber and electrical wire. Then, like the top note of a perfume, the melancholy, sweet, cloying smell of burned human flesh.

"That's our life now — spring and death," said Nenad Pezo, the army minder who had allowed a car of journalists to make a detour and come here.

A man watching from the narrow road at first refused to talk. Then he began to throw words like stones. "Another atrocity," he said. "Or do the NATO criminals think atrocities are not atrocities from the air?"

Asked his name, he spit on the ground. "Goran," he said, then turned away.

The journalists had come from the scene of another NATO accident, in the little Kosovo village of Merdare, near Mirovace, just northwest of Podujevo, near the provincial border with Serbia.

NATO bombs and anti-personnel bombs demolished four houses in the early hours of Sunday, killing five people, including Bozina Tosovic, 30, and his 11-month-old daughter, Bojana. His wife, Marija, six months pregnant, is in the hospital, along with the four members of the Markovic family: Dragan and his wife Natalija and their two children, daughter Anđelija and son Milos.

Mr. Markovic's brother, Ljubomir, 42, had just arrived an hour before from Belgrade, where he lives, and walked in shock around the blasted houses and stables. He had heard about the attack on television, and then the local police phoned him.

In the collapsed remains of his brother's house, of mud brick and wood, with what had been a red tile roof, he found the family dog, a yellow mongrel with half his snout blown away.

Ljubomir began to sob, kneeling by the quivering dog, petting his head, as sunlight poured through a huge hole in the roof.

"Are you scared, my doll?" he asked.

"Are you scared, sweetheart?"

He looked up, tears streaming.

"Should I shoot him? I can't."

## Ex-Cat Stevens Tells Of Macedonia Theft

The Associated Press

LONDON — The singer formerly known as Cat Stevens says Macedonian border guards stole \$33,000 from him as he crossed into Albania to distribute aid to Kosovar refugees.

The London-based singer, now named Yusuf Islam, told the BBC that the guards took the money after initially refusing to allow his group to enter Albania.

He put aside professional music in 1977, and dedicated his life to Islam. "We're absolutely furious," he told the BBC. "Obviously everybody knows why we're here, to help those people who have tragically gone through this and who are going through this problem of ethnic cleansing, and they've robbed us."

Before entering Albania, the singer said he had been distributing money to people in Macedonia who were sharing their homes with the refugees from Kosovo.



Handwritten text in Arabic script, likely a signature or a note.

28,480,000,000 dollars in revenue

800,000+ integrated circuits produced daily

200,463 employees worldwide

15,000+ dedicated engineers

1,450 records of invention per year

190 product lines

169 global manufacturing sites

163 quality awards (past 3 years)

123 IRL and CART wins

90+ years of experience

53 union partnerships

51 customer service centers

40 joint ventures

36 countries

27 technical centers

25 customer teams

6 hours...a new product or process

4 regional headquarters

3 business sectors

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The power to simplify



## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Milosevic's Phony Goodwill

Slobodan Milosevic now has urged all citizens of Kosovo "to live together and cooperate." It is difficult to overstate the grotesque cynicism of this statement. Mr. Milosevic has perpetrated crimes against the people of Kosovo and by all accounts these crimes are continuing. Mass killings, mass rapes, mass expulsions — these are his policy tools. Now displaced Kosovars trapped inside their country face another threat — starvation — even as NATO remains reluctant to risk flying its planes low enough to drop food.

Mr. Milosevic's phony goodwill is part of a larger, equally phony peace overture. It should come as no surprise that the Serbian leader now seeks, on his terms, a cease-fire. The NATO bombing campaign thus far has mostly worked to his advantage. It has not interfered with his carefully orchestrated ethnic cleansing or his assault on the Kosovo Liberation Army. It has given him cover to squelch of all independent media in his country. And although any account of public opinion in a dictatorship should be read cautiously, the bombing seems to have prompted a surge of nationalist feeling that, in the short term, will help the dictator. As to the loss of Serbian or Kosovar lives — these are of no concern to him.

## Mergers and Competition

It seems that barely a day passes without word of some new linkup within the once-separate industries of telephone, television and the Internet. Deals worth billions — in stock — are made by companies that have yet to earn \$100 million in profits.

The latest U.S. reports say that MCI Worldcom, itself a product of a series of mergers, may buy Nextel, a wireless telephone company in which Craig McCaw is a major investor. If that deal happens, Mr. McCaw, who previously sold McCaw Cellular to AT&T, will have sold wireless companies to the two largest long-distance companies.

Many consumers watching all this unfold no doubt are confused about the economic and technological forces driving these mergers. They may also be troubled by what looks like a headlong rush toward consolidation. But while antitrust regulators need to keep a close watch, most of these deals reflect a vibrant state of competition, not an effort to end it.

The deals also reflect a state of confusion among the people running the companies involved. They can see that developing technologies are changing the world they will compete in, but they cannot see clearly which technologies will prevail. Some very successful companies fear they could become the 21st century's equivalent of buggy-whip manufacturers.

Local telephone companies worry that they will lose their core customers to cable companies. Long-distance phone companies fear that local companies will steal their customers, and vice versa.

## A Tax Cut Is Unsound Policy

This is tax week in America, and it will produce the usual congressional denunciations of Congress's own bandiwork. Members will vie to express their sympathy with citizens who have to bear a tax burden that Congress itself has imposed to finance benefits and services that the citizens have come to expect. The ultimate expression of this circular concern will be the likely adoption of the Republican budget resolution, whose centerpiece is a tax cut that even many Republicans concede cannot be responsibly financed.

The Republicans' budget is not so much a plan for governance as a political manifesto, no matter how stretched the math and a bargaining position from which the authors fully expect to retreat in subsequent negotiations with the president and congressional Democrats. The budget is for show; the bargaining will be serious. The debate until now has had mainly to do with how large a tax cut to grant; in the phase ahead, they will have to answer the questions of what kind of cut, for whom?

Our view is that there ought not be a significant tax cut. If the budget surplus materializes, the right use of most of it is to pay down debt. That is the only way to save it within the public sector against future costs, not just of the baby boomers' retirement, which it is plain the government will face. But the president already has caved on the question of a tax cut, having proposed one in another effort to preempt and neutralize what might otherwise be a Republican political issue. No matter the merits, his policy, as ever, has been to convert the question of whether to which.

If they therefore grant a cut, it ought to be limited in both size and purpose. Business groups normally allied with the Republicans favor a tax cut whose likely effect would be to stimulate investment rather than consumption. Better still might be the president's proposal to steer the money into individual savings accounts, mainly for people of relatively modest means.

The best result of the dickering ahead might well be stalemate. If they simply passed the appropriations bills for the year ahead and went home, the remaining surplus automatically would be used to pay down debt. Next best might be a tax cut tied to saving, as the president has proposed. The worst result would be a crossfire in which each side assents to enough of the other's program that both can claim political victory; they virtuously save the part of the surplus attributable to Social Security but spend the rest to get a deal. They want a signing ceremony, but a signing ceremony is not worth the country's long-term economic health.

—THE WASHINGTON POST.

## Why the Generation of 1968 Chose to Go to War

By Tony Blair

Mr. Blair is Britain's prime minister.

LONDON — We have learnt by bitter experience not to appease dictators. We tried it 60 years ago. It did not work then and it should not be tried now. President Slobodan Milosevic's actions in Kosovo have given rise to scenes of suffering and cruelty people thought were banished from Europe forever.

Europe and the United States must stand firm together.

Mr. Milosevic's policy of ethnic cleansing must be defeated and reversed. President Bill Clinton has shown exactly the right resolve and determination. Once again, our thanks go to him and to the American people for their support in the cause of what is right.

Of course, we will be subject to the usual barrage of criticism, sometimes from people who, I think, find it hard to come to terms with the fact that there is a new generation of leaders in the United States and in Europe, who were born after World War II, who hail from the progressive side of politics, but who are prepared to be as firm as any of our predecessors right or left in seeing this thing through. See it through, we will.

Some argue we waited too long to act. To them I say it was right to give the negotiations every chance. Others argue we should not have acted at all. Of them I ask, what was the alternative? To do nothing would have been to acquiesce in Mr. Milosevic's brutality. It was clear that unless he was stopped, Kosovo would share Bosnia's fate.

The evidence is sobering. The Serbian offensive last year forced over 300,000 people from their homes. Vil-

lages were burned, people massacred. Despite the efforts of the international community, including Russia, Mr. Milosevic rejected diplomacy in Paris this year. Hours later, he let his forces loose in Kosovo. Within days, tens of thousands of people had fled their homes.

Mr. Milosevic was preparing for ethnic cleansing long before a single NATO bomb fell. What has happened was part of a plan to drive hundreds of thousands of ethnic Albanians out of their homes, execute many of their men and torch their villages.

In Bosnia we waited four years before acting decisively. As a result of that conflict, more than 200,000 people lost their lives, and 2 million people were made homeless. The duration of the conflict meant that a million of them were never able to return to their homes. NATO has not made the same mistake in Kosovo. Anyone who has seen the pictures of the hundreds of thousands of refugees leaving Kosovo, or who has heard the piteous stories of suffering imposed by the Serbian police and the paramilitary thugs who work with them, knows why we had to act. Now they want to know that we are going to succeed.

Just as I believe there was no alternative to taking action, I am convinced there is no alternative to continuing until we succeed. On its 50th birthday NATO must prevail. We are

fighting for a world where dictators are no longer able to visit horrific punishments on their own people in order to stay in power. It is important the people of Serbia know our quarrel is not with them.

It is with the architects of Kosovo's ethnic cleansing. Just as after World War II, a war-crimes tribunal will bring those responsible to justice.

Our policy in Kosovo is taking its toll on Mr. Milosevic's killing machine. We should not be fooled by his state-controlled television. If he was so confident of his position, why did he suppress the independent media in Serbia? But we need to be patient. As I said, as Mr. Clinton said, as other world leaders said at the onset of this action, he will not be defeated overnight.

We are also right to be cautious of the notion of a ground intervention force. Of course ground forces will be necessary in Kosovo to give the refugees the confidence to return to their homes in safety. But that is very different from fighting our way in.

While we keep all options under review at all times, that is not our plan. A land invasion would be a massive undertaking and would take time to assemble. The casualties would potentially be large. And the civilian population would be at Mr. Milosevic's mercy. That is why air strikes remain the sensible option in the crisis, intensifying them and adding to their impact.

Mr. Milosevic knows what he has to do to end NATO's air campaign: a verifiable cessation of all combat ac-

tivities and killings; the withdrawal of military, police and paramilitary forces from Kosovo; an international security force; the return of all refugees and unimpeded access for humanitarian aid; and a political framework for Kosovo based on the Rambouillet accord.

We will not stop until he agrees to all of these conditions. The world knows too much of Mr. Milosevic to fall for any of his ploys. The succession of offers from Belgrade show that he is now looking for a way out. He wants to hang on to the results of his ethnic cleansing while protecting his killing machine. But anything short of what I have listed, and there's nothing doing. The air strikes go on.

We should start now planning for the longer term, building on the agreement that was reached at Rambouillet, accepted by the Kosovo Liberation Army, but rejected by Mr. Milosevic. After all their suffering, it is clear that the Kosovars Albanians will never trust Mr. Milosevic to rule Kosovo again. Any political solution must recognize that fact.

Russia has a unique and leading role to play in these efforts.

We need to enter a new millennium where dictators know that they cannot get away with ethnic cleansing or repress their peoples with impunity. We are fighting not for territory but for values. For a new internationalism where the brutal repression of ethnic groups will not be tolerated. For a world where those responsible for such crimes have nowhere to hide.

Newsweek.

## Foreign Policy Moves to the Center in the U.S. Election

By Michael R. Beschloss

WASHINGTON — So now Al Gore, Bill Bradley, George Bush, John McCain, Elizabeth Dole, Pat Buchanan and other U.S. presidential candidates are struggling over whether and how America should fight in Kosovo. There is now the possibility that Americans could see the fiercest foreign policy argument in a campaign since Ronald Reagan and Walter Mondale debated how to thwart the Soviet Union of Konstantin Chernenko.

For the first time since the Cold War, Americans are suggesting that their choice in an election may hinge on the candidate's views about America's role in the world. Mr. Buchanan has seized one end of the spectrum, insisting that Kosovo is not America's fight. At the other end, Mr. McCain says that the war must be won — with ground troops, if necessary.

Inevitably, as the campaign churns on and the stakes get raised, the aspirants will be tempted to exaggerate, twist or obscure their positions on foreign affairs for political advantage, on the assumption that it will be easy enough to change course once they are in office.

If so, they will be mistaken. Throughout the 20th century some of America's most formidable presidential candidates have flitted with demagoguery on foreign affairs at election time. Often they have distorted the issues, taken public positions that were the opposite of what they intended to do, exploited their access to secret intelligence information and turned what should have been national plebiscites into cartoons.

Even so responsible a world leader as Dwight Eisenhower

got carried away with campaign rhetoric on war. In 1952, when he first ran for president, he was regarded skeptically by "Old Guard" Republicans, who found his views too moderate. To please them, he rashly pledged that if elected he would strive for the "liberation" of Eastern Europe. This promise may have later encouraged Hungarians to rebel against the Kremlin in the desperate hope that Americans would rescue them from Soviet tanks.

No candidate risked more by shilling for votes than John F. Kennedy, who in 1960 sowed the seeds of two of the gravest crises of his presidency. Casting about for an issue that would break his dead heat against Richard Nixon, he demanded that the United States use "fighters for freedom" to overthrow Fidel Castro.

Nixon was irate. He knew the CIA had briefed Kennedy that Cuban exiles were being trained to topple Castro. Nixon, though, felt obligated to preserve the operation's secrecy, so he denounced Kennedy's idea in public when in fact Nixon favored an invasion so strongly that he was privately pressing the CIA to do the job before the election.

When Kennedy won one of the closest races in history, he was helped by those who expected him to be tougher than Nixon on Castro. This added to the pressure on the newly elected president to approve the CIA's plans to invade Cuba at the Bay of Pigs, yielding the greatest failure and embarrass-

ment of Kennedy's career. Kennedy also hamstrung himself in the 1960 campaign by falsely accusing Eisenhower and Nixon of having allowed a fictitious "missile gap" to let the Soviet Union gain a military advantage over the United States. After JFK became president, he instructed his defense secretary, Robert McNamara, to politely confess that candidate Kennedy had been wrong. But much of the damage was already done. Kennedy's election-time allegations fueled public pressure for him to escalate the arms race. This helped provoke the Soviet leader, Nikita Khrushchev, to slip nuclear missiles into Cuba, leading to the tensest crisis of the Cold War.

The modern record for obfuscation goes to the contenders in the 1968 election. Of the three major candidates, only George Wallace, the American Independent Party candidate, told the truth about his private intentions on Vietnam, the dominant issue of the moment. Wallace said that if elected, he would crank up American military force.

The Democratic vice president, Hubert Humphrey, privately thought "we've got to get out" of Vietnam. But his boss, Lyndon Johnson, was threatening to "dry up every Democratic dollar from Maine to California" if Humphrey strayed from his war policy. Humphrey thus muffled his opposition, leading many voters to assume he would pursue Johnson's war.

Meanwhile, the Republican, Nixon, piously intoned that he would "do nothing" to undercut Johnson and refused to

tell the voters what he intended to do in Southeast Asia. This allowed Nixon's allies to speculate hopefully that he had a "secret plan" for peace. At the same time, he privately tried to sabotage LBJ's peace efforts by secretly urging the South Vietnamese to drag their feet on negotiations until the election.

Had Americans in 1968 known that Nixon would extend the unpopular war for more than four more years, it is doubtful that he would have won that close election. Had Nixon won after honestly confiding to the voters that it might indeed take four years to achieve "peace with honor" in Southeast Asia, there would not have been quite the sulfurous sense of anger and betrayal that fueled the antiwar movement of the early 1970s, pushing Nixon to respond with the criminal Watergate.

If Americans are, tragically, at war in the Balkans well into the 2000 campaign, politics need not stop at the water's edge. There should instead be a fierce national debate. It would show the next president much about what voters think America's international role should be and would give that leader a mandate to carry that vision out. But if the candidates go into that debate unwilling to say what is really in their minds, they will be following an old and dangerous tradition.

Mr. Beschloss, author of "Taking Charge," the first volume of a trilogy on Lyndon Johnson's White House tapes, contributed this comment to The New York Times.

## Washington Is Losing Track of the Main Objective: Winning

By Caspar W. Weinberger

WASHINGTON — As the United States faces the prospect of a deepening but ambiguous military involvement in Kosovo, some observers have been judging this campaign against the criteria for overseas military intervention that I suggested during the Reagan Administration. This comparison tells us much not only about NATO's strategy in Yugoslavia, but also about the state of the U.S. military in general.

Of course, the global situation was different in the 1980s, when the Soviet Union was still standing. Nonetheless, American military criteria were meant to be adaptable to changing circumstances. They proved useful, after all, in formulating American strategy in the Gulf War.

Have these guidelines been met in the current crisis? To some extent, yes. The principle feature of my thinking was that the United States should enter a conflict only if it was vital to its national interest. That is the case here. The Balkans have been at the heart of two world wars in this century, so stability in the region is important.

In addition, the United States has both a strategic and moral obligation to support our allies. As a NATO member, the United States cannot ignore an assault in Europe against all our values by a thug who has directed brutal atrocities in Kosovo and Bosnia.

This is not to say that the United States should eagerly intervene in the world's conflicts. On the contrary, American forces should be used only after other means have failed. That is clearly the case in the Balkans. Washington negotiated two will-

ing with Mr. Milosevic and for too long. America should have intervened two or three years ago, when Mr. Milosevic began his reign of terror.

But the United States should not commit troops unless it intends to win unconditionally. Sadly, the Clinton Administration is now taking us into a war without any apparent intention to win. In fact, we have neither defined victory nor established any real goals.

Some people have said that winning means getting Mr. Milosevic back to the negotiating table. In my view, that would be a useless exercise. Within 24 hours, he will violate whatever agreement is reached and break any promise he makes.

Some say we should be careful not to humiliate the Serbs and Mr. Milosevic. But why? We didn't worry about whether we should humiliate Hitler or Tojo after World War II. Victory must include putting Mr. Milosevic in jail, either for life or awaiting execution as a war criminal.

Instead, we are told our goal is to "degrade his military capability." What does that mean? Taking out the enemy's military is a means, not an end.

Some have also suggested that the war should not be permitted to crowd out the administration's domestic agenda. This is a statement of the folly the United States committed in Vietnam, when it sent more than 500,000 troops to fight a war it did not intend to win. Of course, the American people soon gave up their support for that conflict.

Another lesson of Vietnam was that there must be a reasonable basis for the American people to support military ef-

orts. The United States cannot fight a war against both an enemy and the Congress.

For now a loss of public confidence is not a concern. News accounts and images of refugees fleeing Kosovo have reinforced our horror of the violence being committed in the name of "ethnic cleansing." Americans are a compassionate people who understand that the country's peculiar status in the world — its enormous military and economic strength — carries obligations to rectify injustices of this kind.

But the United States is no longer as strong militarily as it should be. In 1997, the administration said the country could fight a war on two major fronts simultaneously — America's strategy for many years. We are discovering this is not the case. The Balkan conflict has drained resources in other key areas.

The European Command has had to move aircraft from an air base in Turkey to bases in Italy. This means that patrols over Iraq have been weakened. America's ability to defend South Korea has been put in question by transferring naval strength first off Iraq, where it was not used, and now to the Balkans.

The administration has also insisted on having no defense against missiles, although now the pressure of public opinion has forced President Bill Clinton to suggest he might not veto a bill that simply suggests it will be U.S. policy to develop such a defense. The United States has slashed the research and development money that provided the high-tech weaponry that helped win the Gulf War.

Even so, I have no doubt that

NATO can win this conflict — if we decide what winning requires and if we have the courageous leadership needed for victory.

Victory in this war must mean getting and keeping the Serbian army out of Kosovo — permitting the Kosovars to return to their homes — and the elimination of Mr. Milosevic. If that humiliates him or Serbia, so much the better.

NATO has been right to step up the air attacks. This is in keeping with one of the most important criteria the United States developed in the 1980s: In any given conflict we must

reassess and adjust our use of forces on short notice.

While support for the war continues, America's leaders must make clear that their objective is victory, and nothing less. It is time to stop talking about "exit strategies" and to concentrate instead on winning.

That is, and should be, the only objective of war.

The writer was secretary of defense under President Ronald Reagan from 1981 to 1987 and is the chairman of Forbes. He contributed this comment to The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1899: Dividing Africa

PARIS — The St. Louis "Republic" says of the Anglo-French partition of a portion of Africa: "Both Gaul and Briton may now proceed to devote the skill and energy which some months ago they were threatening to exercise in fighting one another, in subjugating the black tribes and turning them into customers and producers. The division is reported to be mutually satisfactory. To a man up a tree, nevertheless, it looks as if England took what was right and France — what was left."

## 1924: Exclusive Bill

WASHINGTON — In the face of Japan's warning of "grave consequences" should Congress decide to exclude Japanese citizens entirely from admission to the United States, the House placed its approval on the exclusive clause in the Bill.

It is expected that the real fight on the Japanese exclusion provision of the Bill will be waged in the Senate. That clause provides that citizens of other countries who are ineligible for citizenship to the United States shall be denied admission for the purpose of residence in the United States. Japanese and Chinese are the nationalities mostly affected.

## 1949: Soviet Support

LONDON — The Soviet Union will grant increased assistance to Albania in its economic war against the Yugoslavs. A joint Albanian-Soviet communiqué announced that Colonel General Enver Hoxha, Albania's Prime Minister, had signed in Moscow an Albanian-Soviet agreement on Russian deliveries to Albania of equipment and materials on credit, as well as a protocol on mutual deliveries of goods during the current year.

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## OPINION/LETTERS

## On China Trade Pact, A Feckless Failure

By David Ignatius

WASHINGTON — President Bill Clinton did something so shortsighted and potentially costly last week in scuttling a trade deal with China that you begin to wonder if the Kosovo policy jinx is spreading to Asia.

Some Clinton insiders just shake their heads in chagrin when asked to explain why the president backed away from a deal that would have opened Chinese markets as a condition for Chinese entry into the World Trade Organization. They concede that the reason for Mr. Clinton's last-minute reversal was entirely political: He wanted to appease protectionist congressional Democrats and avoid what might look like a concession to the visiting Chinese leader Zhu Rongji.

Mr. Clinton's flip-flop on the WTO sidelines one of the few areas — free trade — where he reasonably can claim to have acted consistently on principle, rather than short-term politics. In that sense, it's a measure of just how weak Mr. Clinton has become — that he would sabotage his legacy to gain a few weeks' respite from criticism.

The administration is betting that it can tip-toe back to Beijing and salvage a WTO deal before Labor Day. But that's a risky bet about an issue that Mr. Clinton himself has rightly said is crucial

to America's economic future. No other country has more to gain from a free and open Chinese economy than the United States does.

The larger danger of Mr. Clinton's WTO decision is that it could exacerbate China's economic troubles just as a fragile recovery is beginning elsewhere in Asia.

Something quite amazing has been happening the past few months in South Korea and Thailand — two of the countries that were hardest hit by the Asian financial crisis. Their economies are beginning to recover, like resilient buds of spring after a brutally nasty winter.

The financial markets already are signaling a turnaround. Stock market indexes in Seoul and Bangkok roughly have doubled from their lows of last year. Meanwhile, interest rates for South Korea and Thai debt have fallen — with spreads between their debt and that of Western countries moving toward pre-crisis levels.

"For the countries closest to the crisis, the worst seems to be over," said Tom Byrnes, the senior Asia analyst at Moody's Investor Service. Moody's recently upgraded South Korea's bond rating back to its pre-crisis investment-grade level; Moody's rates Thai debt one notch below that of South Korea.



More important than the simple fact of recovery in South Korea and Thailand are the reasons for it. Strong governments have taken first steps to break the stranglehold of crony capitalism on those economies. Insolvent banks have been allowed to fail; inefficient companies have been forced to restructure operations; asset prices have been free to fall to levels where the market can clear — and rebuilding can begin.

These structural changes — as potent in their way as China's transition from communism to capitalism — are encouraging Western investors to lend money again. Analysts caution that there's still much to be done in South Korea and Thailand — the process of clearing away corrupt and inefficient business is only beginning. And some worry that the South Koreans and Thais will now

ease up, dissipating the gains they've made so far.

But Lawrence Summers, the deputy Treasury secretary and the administration's chief spokesman during the Asian mess, thinks some crisis countries are beginning to turn the corner.

Where countries have been able to carry through on their reform commitments — as in Korea, Thailand and the Philippines — results are starting to come in the form of lower interest rates, new investment and increased growth," says Mr. Summers.

Japan remains mired in a deep recession — clouding prospects for regional recovery. But even in Tokyo, financial markets are signaling hope that a recovery is ahead. The Nikkei index of leading Japanese stocks is up nearly 25 percent this year on hopes that the govern-

ment's huge stimulus package finally will get the economy moving.

The Asian recovery, when it gets rolling, should be as rapid and surprising as the financial typhoon that swamped the region's economies in 1997. The recent news from Korea and Thailand is encouraging — a sign that the harsh medicine prescribed by the Clinton administration and the International Monetary Fund may be working as intended.

Mr. Clinton's political capitulation on the WTO was a sorry example for a supposed superpower. You might almost call it crony capitalism. Mr. Clinton could learn something from the more principled, disciplined leaders whose tough decisions are outlasting a revival in South Korea and Thailand.

The Washington Post

## War's On, Where's the Music Gone?

By Salman Rushdie

LONDON — I recently asked Vaclav Havel about his admiration for the American rock icon Lou Reed. He replied that it was impossible to overstate the importance of rock music for the Czech resistance during the years of darkness between the Prague Spring and the collapse of Communism.

I was just relishing the mental image of the leaders of the Czech underground grooving to the sound of the Velvet Underground playing "Waiting for the Man." "I'll Be Your Mirror" or "All Tomorrow's Parties" when Mr. Havel spoke again. "Why," he asked me, with a straight face, "do you think we called it the Velvet Revolution?"

I took this to be an instance of his deadpan humor, but it was a joke of the sort that reveals another, less literal truth, a generational truth, perhaps, because for popular music fans of a certain age the ideas of rock and revolution are inseparably linked.

"You say you want a revolution," John Lennon had sneered at us. "Well, you know, we all want to change the world."

And indeed, with the passage of years I had come to think of this linkage as little more than youthful romanticism. So the discovery that a real revolution had been inspired by rock music's glamorous snarl was pretty moving. It felt like a sort of validation.

Because now that nobody smashes guitars or protests about much any more, now that rock'n'roll is middle-aged and corporate and the turnover of the leading mega-groups exceeds that of small nation states; now that it's music for older people remembering their salad days while the kids listen to gangsta rap, trance music or hip-hop, and Bob Dylan and Aretha Franklin get invited to sing at presidential inaugurations, it's easy to forget the form's oppositional origins, its anti-establishment heyday.

Yet rock'n'roll's rough, confident spirit of rebellion may be one reason why this strange, simple, overwhelming noise conquered the world nearly half a century ago, crossing all frontiers and barriers of language and cul-

ture to become only the third globalized phenomenon in history after the two world wars. It was the sound of liberation, and so it spoke to the free spirits of young people everywhere and so also, of course, our mothers didn't like it.

My own alarmed mother, after she became aware of my fondness for Bill Haley, Elvis

## MEANWHILE

and Jerry Lee Lewis, began eagerly to advocate the virtues of Pat Boone, a man who once sang a treacly ballad addressed to a mule.

But I was trying to imitate the curl of Mr. Presley's lips and the swoon-inducing rotation of his hips, and I suspect boys everywhere, from Siberia to Patagonia, were doing the same.

What sounded and felt to us like freedom looked to the adult world like bad behavior, and in a way both things are true. Pelvis-wiggling and guitar-smashing are indeed liberty's childish fringes; but it's also true, in all sorts of ways we have learned much more about as adults, that freedom is dangerous.

Freedom, that ancient foot-tapping anarchy, the Dionysian antithesis of Pat Boone: a higher and wilder virtue than good behavior, and, for all its spirit of hairy late-night rebellion, far less likely than blind obedience and line-toeing convention to do serious damage. Better a few trashed hotel suites than a trashed world.

But there is that in us which doesn't want to be free; which prefers discipline and acceptance and patriotic local tunes to the wild, loose-haired love-music of the world. There is that in us which wishes simply to go along with the crowd, and to blame all naysayers and pelvis-wiggles for rocking our comfortable boat.

"Don't follow leaders," Bob Dylan warned in "Subterranean Homesick Blues." "Watch the parking meters." Yet we continue to want to be led, to follow petty warlords and murderous ayatollahs and

nationalist brutes, or to suck our thumbs and listen quietly to nanny states which insist they know what's best for us. So tyrants abound from Belgrade to Mumbai, and even those of us who are notionally free peoples are no longer, for the most part, very rock'n'roll.

The music of freedom frightens people and unleashes all manner of conservative defense mechanisms. As long as Orpheus could raise his voice in song, the menads could not kill him. Then they screamed, and their shrill cacophony drowned his music, and then their weapons found their mark, and he fell, and they tore him limb from limb.

Screaming against Orpheus, we too become capable of murder. The collapse of communism, the destruction of the Iron Curtain and the Wall, was supposed to usher in a new era of liberty. Instead, the post-Cold War world, suddenly formless and full of possibility, scared many of us stiff. We retreated behind smaller iron curtains, built smaller stockades, imprisoned ourselves in narrower, ever more fanatical definitions of ourselves — religious, regional, ethnic — and readied ourselves for war.

Today, as the thunder of one such war draws out the sweet singing of our better selves, I find myself nostalgic for the old spirit of independence and idealism which once, set infection to music, helped bring another war (in Vietnam) to an end. But at present the only music in the air is a dead march.

Mr. Rushdie is the author of "The Satanic Verses," "The Moor's Last Sigh" and the forthcoming "The Ground Beneath Her Feet." This comment was distributed by New York Times Special Features.

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## LETTERS TO THE EDITOR

## We Are All Kosovars

On this Holocaust Memorial Day, we are all Kosovar Albanians. As Jews commemorate the six million murdered by the Nazis, the call "Never Again" reverberates with an urgency unparalleled since 1945.

Once again, a whole people — the Kosovar Albanians — are targeted by a tyrannical

regime, if not for total extinction, then for persecution, expulsion, wanton killing, humiliation and spoliation; those who believed that trains would never again deport people into exile and homelessness were wrong. It has happened again, not to Jews, but to a people few had ever heard of.

The Milosevic regime, nurturing a vicious nationalism, honed its tactics of creating a

racially pure Serbia in Croatia and Bosnia. The democracies responded with confusion and impotence, as they did in the 1930s.

Now, there is resolve, painfully gained through the realization that evil can be stopped only by force. If only the West had shown similar resolve in the 1930s, perhaps World War II and the Holocaust could have been averted.

The use of power is always problematic; it is messy, and innocent people suffer. But this is the lesson of the Holocaust, and the meaning of "Never Again."

NATO today is a beacon of light and hope for the Kosovar Albanians in a way in which the League of Nations was not for the Jews in the 1930s. The lessons of World War II — and the West's failure in the

early 1990s in Bosnia — have been learned. Today, we are all Kosovar Albanians, because by defending them, humanity is being defended.

SHELOMO AVINER, New York

The writer, who teaches at the Hebrew University of Jerusalem, is a visiting professor at the Cardozo School of Law in New York.

## BOOKS

## ADULTERY And Other Divisions

By Tim Parks. 184 pages. \$23.95. Arcade.

Reviewed by Jonathan Yardley

THE Englishman Tim Parks is one of the best writers around, and one of the most eclectic. He has written a number of highly accomplished novels in various forms and genres, as well as two works of nonfiction about Italy, where he has lived for many years, and he has translated the work of Roberto Calasso and other Italian writers into English. Now, in "Adultery," he turns his hand to the essay, with predictably impressive results.

There are a baker's dozen pieces here, each dealing with a large theme — adultery, glory, maturity, clarity, destiny, conformity and so forth — in miniature. Evidently, Parks is at the business of seeing how universal ideas and concepts boil down to the lives of discrete individuals. Thus in the title essay he reflects upon adultery as reflected in the experience of a friend, Alistair, who has thrown over his wife of many years for "a young widow, 33, with a 10-year-old

girl and an excellent job in education administration that took her to the same conferences Alistair attended." Parks, himself happily a husband and father, offers this provocative observation:

"Thinking back now on the many friends I have who have divorced, or separated, or left each other and got back together again, or divorced and married someone else, it occurs to me that while most of them talk earnestly, sincerely, of their search for happiness, their dream of the perfect relationship, what really drives them is a thirst for intensity, for some kind of destiny, which so often means disaster, the desire to push things to the limit, to savor crisis, in ecstasy before, in tears and tranquilizers after."

I quote that passage not necessarily because it's right — in fact I suspect it's quite wrong — but because, like everything else Parks writes, it is so interesting and provocative.

Certainly it is consistent with the view expressed often in his pages, in various ways, that the world is "a place of change and betrayal," filled with "the traps and quicksands, its cycles of decadence and revolution," a theme that will be familiar to anyone who knows Parks's novels.

We crave the secure and familiar yet are drawn to the danger and the unknown with which the world confronts us, delighting in "a constant delirium of choice and possibility."

Parks writes with particular acuity about the pleasures and pitfalls of the writing life, though always with a slightly amused detachment and never with self-indulgence.

In a lovely essay on translation, he vividly describes the "precariousness" of writing: "a thousand sensations and pressures, a surface buzz of words — consciousness — and then the extraordinary purposefulness of the mind, seeking, desiring definition, in the order of words on a page, something it can imagine as having consistency." Later, in "Rancor," he points out the "unstable spirit for recognition" that drives writers and that is so at odds with the "impeccably commendable" and often high-minded things they seek to say. One needs to look so far to see that behind, or perhaps I mean alongside, all that is beautiful and moving in art, all that truly opens the heart and lifts the spirit, lies a suffocated scream for recognition.

Washington Post Service

## CHESS

By Robert Byrne

GARRY KASPAROV has the wrong idea about how to get someone to challenge him for world supremacy. What he wants is millions in prize money and the additional glory that victory in a new match would bring. But he is scaring everyone out of their wits.

He won the elite double-round Linares International Tournament in mid-March — some are calling it the third strongest of all time — with a two-and-a-half-point margin over his nearest opponent, Kasparov's 10½-3½ dwarfed the 8-6 of Viswanathan Anand and Vladimir Kramnik. Now who would like to challenge him for the world championship?

In the 10th round, Kasparov won an amazingly complicated struggle against

the very opponent, Anand, who is most often mentioned as his most probable challenger.

Against 1 e4, it is known that Kasparov will play the Najdorf Variation of the Sicilian Defense with 5...a6. With the popular 6 f3, White firmly braces his center and plans a later attack on whatever flank the black king goes to. The point of 13 Bb3 is to answer 13...d5 by 14 g5, possibly followed by a piece sacrifice on e6. The latest effort against this is the pawn sacrifice with 13...g5? 14 h5 h6 15 e6 Nd5 16 Bg5. When this was played in a Round 3 Leko-Topalov game, Black played 16...Qa5 and firmed with trouble, though he drew in the end. Kasparov came to the board with a well-studied original improvement, 16...Qb6!

The idea was revealed after 17 Bg2 Rb1: on 18 Rb1, Kasparov gains a tempo with 18 Bg7 and after 19 Ne2 Ne5 or 19 Rd1 Ne5, Black's piece play is excellent.

After 18 Bb1 Rb8, Anand wisely saw that he had to play 19 Re1 because otherwise Kasparov would have struck with 19...Nc3! 20 b2? bc, which wins outright.

After 21 f5 it looked as if Kasparov was in deep trouble, but he calmly played 21...Nc5! 22. fe Bg7! 23 ef Kf7.

Anand went astray with 24 Bd5? Qd5 25 Re7 Kf8 26 Rg7 Kf7. He could not play 27 Nf5 because 27...Qf5! 28 gfnb3 will win a rook for a knight and the game. He did produce the clever 27 Nc3, which Kasparov admitted he had not foreseen in pregame analysis.

But it did not stop the champion. After 27...bc 28 Nf5 Kf7 29 Qd5 Bd5 30 Nd6 Kf6 31 Ne8 Kf5 32 Nf6 Bf6 33 bc

Kg4 34 Kd2 Kf4 35 Ka3 a5 36 Na4, Kasparov had a won game. But his 36...Ne4? was a piece of carelessness. He pointed out afterward that 36...Nd7! 37 Nb2 Nb6 38 c4 Bc4 39 Ne4 Ne4 40. Kb3 Ne5! would win. Thus, 41 Ka4 Ne6 42 Kb5 Ke5 will wrap it up.

But with 47 Na7, Anand hounded the game away. He could have played 47 Nc3 and after the elimination of the last black pawn, the draw would have been routine.

Maybe he overlooked the sinister 50...Bc5! Once Anand ran through 51 Ka4 Nb6 52 Ka5 Ne4 53 Ka6 Bc8 54 Ka7 Kb5 55 Kb8 Nd6, he gave up.

## SICILIAN DEFENSE

White	Black	White	Black
Anand	Kasparov	Anand	Kasparov
1 e4	c5	26 Rg7	Kg7
2 Nf3	e6	27 Ne3	bc
3 d4	e5	28 Nf5	Kf7
4 Nd4	Nf6	29 Qd5	Bd6
5 Ne3	e6	30 Nd8	Kg6
6 f3	e6	31 Ne6	Bd8
7 Be3	Ne5	32 Nf6	Bd8
8 e4	e6	33 bc	Kf4
9 Qd2	Nd7	34 Kd2	Kf4
10 e4	Bb7	35 Ka3	a5
11 Bb1	Bd4	36 Na4	Ne4
12 Nf1	d5	37 Nb2	Ne3
13 Bb3	g5	38 Nd3	Kc3
14 hg	hg	39 Ne5	Bf5
15 ed	Nd5	40 Kd2	Nd5
16 Bg5	Qb6	41 Nf7	a4
17 Bg2	Rb1	42 e4	Nb6
18 Bb1	Rb8	43 Nf6	Bd8
19 Re1	Qa5	44 e5	Nc5
20 f4	Qa2	45 Ka3	Bc2
21 f5	Nc5	46 Nb5	Ne7
22 fe	Bg7	47 Na7	Kd4
23 ef	Kf7	48 bc	Nd5
24 Bd5	Qd5	49 Nb5	Kc5
25 Re7	Kg8	50 Cf7	Bf5
		51 Resigns	

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## ASIA/PACIFIC

# Indian Missile Test Sparks Defiance and Chinese Fears of an Arms Race

Compiled by Our Staff From Domestic Sources

**NEW DELHI** — India's test of a missile capable of delivering a nuclear warhead drew an ominous response Monday from Pakistan and China, raising the prospect of an arms race.

"It could trigger a new round of arms races in South Asia," the Chinese Foreign Ministry said Monday in a statement. "The Chinese side expresses regret and concern."

The Pakistani government was under pressure at home to answer India's missile test with one of its own.

"It is necessary that the government should respond immediately, so that they can boost the morale of the people," the deputy chief of the main Islamist Jamaat-i-Islami party, Liaquat Baluch, said Monday.

The Pakistani Army chief, General Pervez Musharraf, said that his country was capable of giving a matching response to the Indian testing of its medium-range Agni II missile.

"No Indian should have any doubt that we cannot respond," he said. "We have all the capabilities."

"We can react very soon. We have got Shaheen and we have got Ghauro," he continued, referring to missiles. "So it's either both or one, or none because it will be a government decision how to respond."

Foreign Minister Sartaj Aziz said

Sunday that the Indian missile launch was a matter of "deep concern," and hinted that his country would respond.

"The decision will be taken in the coming days," Mr. Aziz said in Islamabad. "Pakistan is obliged to maintain a deterrent in the interests of its security."

The Chinese Foreign Ministry statement noted that India and Pakistan had been trying to repair relations and build trust.

"The Chinese side hopes that the two countries can continue to use patient, sincere and meaningful dialogue to peacefully resolve disputes and problems," the statement said.

India and Pakistan have fought three wars since they won independence from the British Empire in 1947, and their rivalry took on global importance when each tested nuclear weapons last year. The two countries regularly shell each other along a 720-kilometer (450-mile) disputed border along the Indian state of Kashmir.

India announced Sunday that it had test-fired a ballistic missile with a range of 2,400 kilometers — making it capable of reaching targets in not only Pakistan but also China.

The Indian missile was designed to complete the nuclear program begun last May, when the Indian government exploded five underground atomic devices.

The nuclear explosions tested the warhead, and the launch Sunday tested the delivery system.

India's leaders had been hinting for months that they intended to test a new missile, but are under intense international pressure to restrain themselves.

The governing Bharatiya Janata Party came to power 13 months ago on a promise to bolster India's national pride and give the country a greater voice in international affairs.

"We cannot rely on anybody for our security," Prime Minister Atal Bihari Vajpayee said Sunday. "Agni is a symbol of that resurgent India which is able to say, 'Yes, we will stand on our own feet.'"

The coalition government is teetering on the verge of collapse, but politicians of all parties closed ranks to praise the country's defense scientists.

"We are not seeing the launch of Agni II from a political angle," Ajit Jogi, spokesman for the main opposition Congress (I) Party, said at a news conference. "We congratulate our scientists, engineers and soldiers related to defense."

But Jyoti Basu, chief minister of West Bengal state and a member of the Communist Party of India (Marxist), dubbed the move a "political stunt," that had "nothing to do with defense."

Indian officials said that the new missile was fired from a mobile launching

platform and powered by a solid-fuel rocket.

Defense Minister George Fernandes refused to discuss any plans to begin production of the missile.

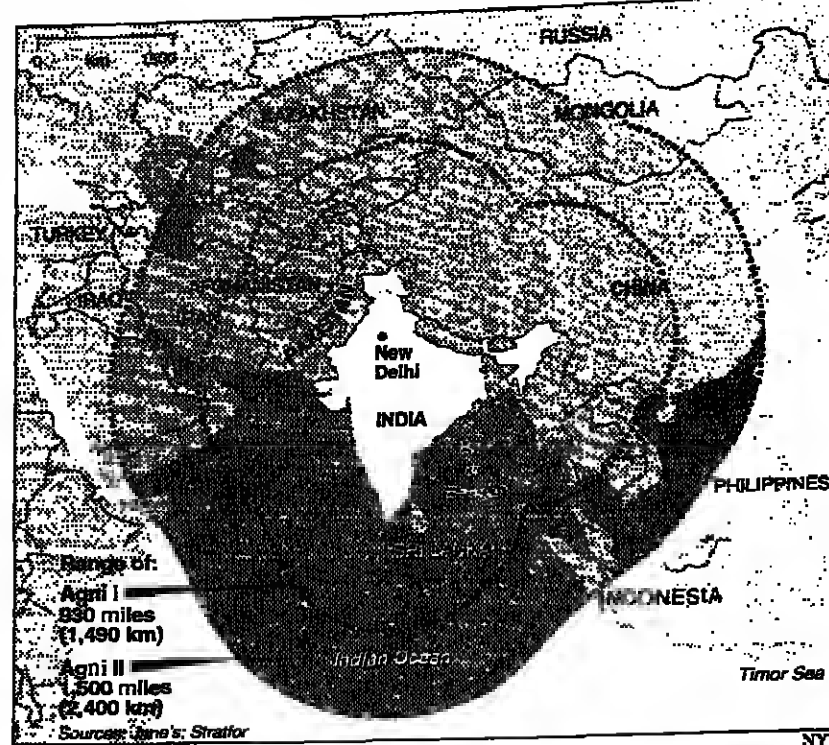
"We have achieved perfection of a very high order in missile technology," he said.

The United States, along with other Western countries, imposed limited sanctions on India when it conducted its underground nuclear tests last year but has significantly relaxed them in the expectation that the Indian government will sign the global Comprehensive Test Ban Treaty.

India has said it wants to build a "credible minimum nuclear deterrent," but it has not yet publicly defined what that might be.

It was Pakistan's test of a nuclear-capable missile last April that set off the reaction that ended with the test Sunday of the Agni II. When the Pakistani government announced the test-firing of a missile — with a range of about 800 kilometers — Indian leaders ordered the underground nuclear tests. Pakistan quickly followed with five of its own nuclear tests.

(LAT, Reuters, AP)



## ASIA: New Competitiveness Being Sought

Continued from Page 1

than for the middle and smaller enterprise. And in Japan, however Sony says it is cutting off its nonperforming components, a start-up loan from a bank to a nonperforming entrepreneur may still be awarded on the basis of collateral rather than a good business plan.

Even tougher questions about Asia's future competitiveness are being raised that go beyond product development and banking standards to the quality of the region's education and judicial systems, and its societies' rejection of favoritism and acceptance of open debate. Indeed, the changes being proposed are so difficult, involving greater individual risk and less community protection for citizens through vanishing notions of lifetime employment, that no certainty has emerged on how much Asian societies can evolve.

In Thailand, on the one hand, business people have linked the country's incapacity so far to set up a functioning system of bankruptcy courts to a lagging willingness to lend and invest. Taking an open society as a competitive plus — and suggesting that other rivals for business in Asia fell short of achieving it —

Stephen Lam, a spokesman for the government of Hong Kong, said it was special in demonstrating that "we can live with dissent in the media, public opinion and political life."

Yet Anson Chan, Hong Kong's senior civil servant, acknowledged concern about how the territory could compete as a center for technology if, as she said she had been told, it was cheaper to import skilled personnel from the United States than to train workers from scratch. Painfully, Asians generally accept the idea that nowhere in their region had a conveyor belt for ideas and personnel been created hindering university scientific communities and the research and development areas of the private sector.

In the basic business of making and selling, as the crisis has given new impetus to change (Jaeil Engineering stands as an example), new standards for competing for loans and investment have also brought realities and rivalries into clearer focus with a kind of fresh candor.

Jaeil's sluggish stock price may be linked to this fact. Some analysts are on record as saying that light industry in Southeast Asia, or a relatively uncomplicated product like Jaeil's midsize washer, has no future against improved Chinese manufacturing skills and a capacity to set the price China pleases.

Talking with a sharpness uncommon in precincts Asia, Clement Cheung, a director of the Hong Kong Economic and Trade Office, told a group in Bangkok that Thailand could no longer compete with China in labor-intensive industries and that it would do best to concentrate on fruit exports. In the past, this kind of advice might have been regarded as insulting. But Americans have told Thais that whatever the pride found in having their own petrochemical and steel industries, the country's agricultural future has more promise.

In a region where everything once seemed possible because the right connections made for easy credit — the Saengyong chaebol here began an ill-fated automobile manufacturing venture because a member of its founding family was said to love cars — there is now a new kind of hard-edged assessment of opportunities on every level.

In Japan, C.H. Kwan, senior economist of the Nomura Research Institute, said the country was 5 to 10 years behind the United States in developing the Internet. "Japan," he said, "should give its declining industries to Asia," suggesting that it was wasting resources in sectors like chemicals. As far as financial services went, the country might never develop as a serious competitor because of the difficulties of the Japanese language and a lag in investment technology, said Mikio Wakatsuki, a former central banker who is chairman of the board of advisers of the Japan Research Institute.

Figures from the Organization for Economic Cooperation and Development, quoted in the Asian economic press, had the United States producing about one-third more electronics patents than the U.S. Patent Office in 1996 than Japan and about 20 times more than Taiwan. The same report said that in

August 1998, the United States had more than 16,000 e-commerce sites on the Internet, Japan 328 and South Korea 41. But Mr. Wakatsuki insisted that Japan had a deeply anchored manufacturing culture and a unique respect for quality that were hardly about to disappear. The country was not going to give up leadership in hardware and big-ticket consumer items, he said.

MITI, the once all-powerful Japanese Ministry of International Trade and Industry that essentially ran a planned economy through the 1960s, has now recast itself as a support agency for restructuring, promising a reduction of 10,000 of its own bureaucrats. But MITI still offers a forecast (no goals, please, it says) of where it thinks Japan is likely to be in 2010. It roughly projects a tripling of the medical care and welfare sector and a doubling of the quality-of-life and culture market. The biggest growth, with approximately fourfold expansion, is estimated to come in the sectors of information and telecommunications and of distribution and logistics.

A problem for the best Japanese and Asian companies as they become more balance-sheet oriented is that they are

often comparatively less attractive to investors than their overseas counterparts — by one computation, IBM currently returns 32.5 percent on equity to Fujitsu's 1.7 percent, Geoffrey Baker, chief economist for Kleinwort Benson Securities,

told the Far Eastern Economic Review that "the average return on assets across Asia is only 2.5 percent."

"Even if you have a doubling in profits, you're talking about 5 percent returns, which is pretty pathetic. Over the past 10 years, rates of return have not matched GDP growth."

The competitive advantage, it is now assumed, will go to companies that have redesigned themselves to interest the capital markets and represent a strong return on investment as opposed to the nonproductive and crony-influenced standards of the past.

For the South Korean government at least, which talks about remaking the economy with an almost revivalist fervor, this change is in process. If the Hyundai and the Samsung, two of the biggest conglomerates, do not reach the debt-to-equity targets the government set for them, then in the view of Kang Bong Kyun, economic adviser to President Kim Dae Jung, "the creditors, the markets, the competition will penalize them."

"Our future," he said, "depends on how much we change in comparison to the other Asian nations, even Japan. We'll try to minimize the bad influence of bureaucracy. In China and Japan, the role of the government is too big. We want to be on top of the Asian nations in terms of financial systems. There is government influence in Japan. We want to be independent and self-regulating. If we change the chaebol system, the labor unions will change, too. This will end the old cycle."

The deputy minister of finance, Chung Duck Koo, pushes the competitive-salvation approach even further. "I am very confident Korea might be the only market-driven country in Asia," he said. "Not China, not Japan. We'll be open."

In the estimation of a European analyst in Seoul, South Korea will be mov-

**In the short term, the ultimate competitive weapon against other Asian countries would be a currency devaluation by either China or Japan.**

ing as an industrial force toward more complex production, gradually concentrating on special steels and a more elaborate kind of shipbuilding. In the most favorable analysis, South Korean producers would profit from the greater focus required of them by existing in competitive capital markets, he said, and in 10 to 20 years compete head-on with Europe's most sophisticated industry.

Another European analyst in Seoul said he thought the possibility existed for the creation of a number of Japanese-foreign companies from the two countries, operating for the first time in an open-market environment, would find complementary partners.

On the widest scale, this analyst said, he could envisage the birth of a Japan-

## Governor-Elect of Tokyo Wants Air Base Returned

New York Times Service

**TOKYO** — Shintaro Ishihara celebrated his victory in a campaign to become governor of Tokyo by declaring that he will put pressure on Washington, beginning immediately, to return one of the U.S. military bases in suburban Tokyo.

"If the U.S. is truly an equal partner with us, it is obliged to consider my demand seriously," said Mr. Ishihara, a 66-year-old who rose to fame as a college student by writing a blockbuster book, in a late-night acceptance speech, he said he would immediately apply pressure for the return of the Yokota Air Base.

The governing Liberal Democratic Party was humiliated in Sunday's election as its candidate finished in fourth place. Mr. Ishihara will not have the power as governor to evict American forces from the base. But he is a forceful and dynamic politician, who by placing the issue on the public agenda can complicate life for the American forces in Japan.

The United States was caught in the mid-1990s in a debate over whether American military bases in the southern Japanese island group of Okinawa should be returned. That furor has subsided, but American officials do not want a similar movement in Tokyo.

Thomas Foley, the American ambassador, was asked repeatedly Friday about Mr. Ishihara's campaign. But he responded by saying that the United States did not comment on local Japanese elections.

Mr. Ishihara also has said that he plans to demand that Mr. Foley specify whether the United States would defend the Senkaku Islands, which are also claimed by China and Taiwan.

Mr. Foley would not comment on that either.

Officials in China and South Korea are apprehensive about Mr. Ishihara, not so much because of any international authority he can exert in Tokyo, but

because he will have a stage for his nationalist views.

In the past, he has called for Japan to develop nuclear weapons, dismissed the 1937 "Rape of Nanking," in which Japanese troops killed tens of thousands of Chinese, as "a lie," and suggested that Japan might think about selling high-technology goods not to the United States but to Russia.

He comes across as someone who years for Japan to be treated with greater respect by other countries, especially the United States.

His election does not mean Tokyo voters necessarily agree with him on security issues. He is also a forceful and charismatic politician and an unusually strong leader for Japan — and he attributed his election to a desire for stronger leadership.

"People want a strong and straight-forward message," he said.

"I have strongly felt that all the existing political parties have already lost their values," he added. "And politicians have not yet realized the fact."

Mr. Ishihara ran as an independent, although he served for many years in Parliament as a Liberal Democrat. The candidate for that party, Yasuaki Akashi, a former UN diplomat, had a dismal fourth-place finish. It was the first time that a Liberal Democrat has not come in at least second.

Prime Minister Keizo Obuchi's job seems secure despite the humiliation, but the Liberal Democrats' secretary-general, Yoshiro Mori, may be pushed out to take responsibility for the defeat.

The party's poor performance reflects its loss of influence in the big cities of Japan, but it retains its power in rural areas and it did reasonably well in other races around the country.

In particular, the Liberal Democrats won two of the three parliamentary seats that were being contested in by-elections.

## Graft Trial Opens for Son Of Suharto

Reuters

**JAKARTA** — The youngest son of former President Suharto went on trial on graft charges on Monday, the first member of what was Indonesia's most powerful family to be tried since his father's downfall.

Hutomo (Tommy) Mandala Putra and two other men have been charged with corruption stemming from the lease of government land by one of Mr. Mandala Putra's companies.

The accused "enriched themselves at a cost to the Indonesian government of 95.4 billion rupiah," or \$11.1 million, the prosecutor told the High Court.

Mr. Mandala Putra's Goro Batara Sakti supermarket chain leased land from the state commodities regulator, Bulog. Prosecutors did not explain how the funds were lost.

Mr. Mandala Putra sat silently as prosecutors took two hours to read the statement, which charged him with one count of corruption.

The trial of the former Goro director, H.M. Gelas, and former head of Bulog, Beddu Amang, over the charge began last week.

On Monday, the prosecutors made no mention of the penalty for corruption. But a lawyer for Mr. Suharto and Mr. Gelas said the maximum sentence was a 20-year prison term.

H.M. Dauli, Mr. Mandala Putra's chief lawyer, told the three-judge panel that his client should not be found guilty because the Goro supermarket chain was taken over by cooperatives last May, at which point responsibility was transferred to a cooperative body. Mr. Dauli rejected allegations that the government had lost money on the lease, saying that Bulog had claimed 50.3 billion rupiah in profit from the deal.

## Market for Bugs in Japan Goes Splat

A \$6,000 Beetle Now Fetches Only \$300, but They Do Make Cute Pets

By Nicholas D. Kristof  
New York Times Service

**TOKYO** — Yumiko Tanuma held the 8½-centimeter-long beetle in her hand, tried not to think of it as an overgrown cockroach and stroked it gently.

"It's kind of cute," she pronounced, smiling tenderly as it waved its pincers. It should be cute, considering its price. The beetle sells for the equivalent of about \$300 at the Tobu Department Store where Miss Tanuma works.

The sad thing for Japan's many beetle owners, though, is that five or 10 years ago it might have sold for \$6,000 or more. The plunge in beetle prices has been catastrophic. It has wiped out the value of used bugs that were once worth more than used cars.

Everybody knows about the tumble in value of Japanese real estate and financial assets like stocks. But it is not just office towers and bank shares that have lost value over the last decade.

Almost every Japanese investment seems to have dropped in price, from antique porcelain to ranches — and especially ohkuwagata, the giant stag beetles that generations of Japanese have hunted and raised as pets.

For many non-Japanese, it may be hard to understand the attraction of buying large black bugs that try to pinch their owners. The typical impulse on seeing an ohkuwagata would be to shriek and run.

"People who don't know bugs might say they look like cockroaches," conceded Katsutoshi Misaki, the insect salesman at Tobu Department Store. "But they have different personalities — this one is shy, that one is more aggressive and so on."

"When I raise it and hold it in my hand," he added, "I feel real affection for it."

Japanese have had a passion for insects for more than 1,000 years, collecting crickets and various kinds of beetles and going out at night to spend hours admiring fireflies and collecting them.

Non-Japanese travelers to rural areas are sometimes startled to be dragged out through the fields at night by their Japanese hosts for firefly-watching and discussions on the merits of various species of fireflies and crickets.

Young Japanese have a special fondness for collecting beetles. The rarest kind are ohkuwagata (Japanese is a far richer language for beetles than English), a variety of stag beetle that hides in rotten logs in remote mountains and is extremely difficult to find.

Thus in the "bubble economy" of the 1980s they became a valuable commodity, and department stores began to sell them at prices that until the early 1990s reached \$7,000 for a single insect.

One breeder says that six years ago a huge and superb ohkuwagata sold for the equivalent of \$30,000.

The collapse of the stock and property markets made people poorer and hurt prices, but market forces were also at work to increase supply and pop Japan's bug bubble. Most important, insect specialists figured out how to breed ohkuwagata.

Supply soared, and prices slumped catastrophically. Many department stores stopped selling insects, and beetles lost some of their cachet. These days almost all ohkuwagata come from breeders, and most specimens sell for less than \$100 apiece.

"The increase in supply will continue, because of the breeding," said Kikuo Iwaguchi, an entomologist at Tokyo University of Agriculture and Technology. "I think prices will go down, down, down."

In 10 years, he said, small ohkuwagata might sell for less than \$5.

Another factor in depressing prices has been the gray market in imported beetles. Ohkuwagata also live elsewhere in Asia, and when Japanese ohkuwagata were selling at outlandish prices, travelers began to smuggle foreign ones into Japan. One advantage of the foreign ohkuwagata is that they stay active year-



Rare stag beetles used to sell for \$6,000. This beetle is priced at \$800.

round, while Japanese ohkuwagata hibernate for several months in the winter. Importing beetles is illegal, but selling those that are already in Japan is of uncertain legality. In any case, the imports began to trade hands and depressed the market just as it was collapsing anyway.

While the bug market is now severely depressed, Tobu Department Store still has one pair of ohkuwagata priced at \$12,500 for the two. They are so expensive because they have white eyes, a rarity, but so far there have been no takers.

Ohkuwagata live for four or five years, so owners have some time to enjoy their pets and they do not fly much, so an investment is unlikely to disappear out the window. But of course owners have to look where they step.

"You've got to watch them when you take them out for a walk," said Mr. Misaki, the insect salesman, with a nod to his \$12,500 beetles. "Otherwise, they could run away and disappear."

## BRIEFLY

### Japanese Leader To Visit U.S. in May

**BARKSDALE, Louisiana** — Prime Minister Keizo Obuchi of Japan will pay a state visit to President Bill Clinton on May 2-4, the White House announced Monday. The two will discuss a wide range of issues, including the U.S.-Japanese security relationship and the Asian financial situation, the White House said in a statement issued in Louisiana, where Mr. Clinton was traveling. (APF)

### Mahathir Released From Hospital

**KUALA LUMPUR** — Prime Minister Mahathir bin Mohamad was discharged from the hospital Monday after a 10-day stay for a lung infection, the government news agency Bernama reported. The 73-year-old leader was admitted to the National Heart Institute on April 2 for a case of bronchitis. He had not been seen again in public until Friday, when he appeared on national television still weak and pale from his illness, saying he hoped to return to work soon. (AP)

### Jakarta Supporters Rally in East Timor

**DILI, East Timor** — Hundreds of pro-Jakarta loyalists rallied here Monday, saying they were ready for war with groups who favored independence from Indonesia.

"We are ready to face the pro-independence groups who have been ordered by Xanana to take up arms," a pro-Jakarta militia leader, Eurico Guterres, told the crowd outside the Jakarta-appointed governor's beachfront office.

Last week, the pro-independence guerrilla leader Xanana Gusmao called on East Timorese to defend themselves against violence by East Timorese supporters of the Jakarta government. (Reuters)

### 4 Candidates Seek Macau Leadership

**MACAU** — Four people declared candidacies Monday to become the leader of Macau after the tiny enclave is handed over from Portugal to China in December. But the man widely viewed as the front-runner, Edmund Ho, a banker, did not immediately announce his intentions. (AP)

Korea free trade zone.

Since China, for all its power, cannot lead Asia in the foreseeable future, any initiative for truly groundbreaking efforts at greater integration in the region would have to come from Japan. The Asian crisis, along with Japan's concern that the United States has de-emphasized its relationship for the sake of ties with China, has produced at the very minimum a greater willingness in Tokyo to talk about deeper involvement in the region.

For J. Brian Waterhouse of HSBC Securities in Tokyo, Japan nonetheless has not performed as Southeast Asia would have hoped during the crisis. "It was not the white knight," he said, and other

more cynical voices have insisted that Japan's basic interest in the rest of Asia stops with making sure that Mitsubishi or another big firm can function in Malaysia or Indonesia.

Somewhat ironically, now that its economic model is shattered as an example for Asian development, Japan is mulling over the homegrown idea that the rest of Asia wants it to look out for the region's competitive interests — and feeling more inclined to do so.

Shotaro Oshima, director-general of the Foreign Ministry's bureau of economic affairs, said, "The crisis brought the integration of the region very much into our minds. It showed a sense of being in this together with the rest of Asia."

"On the whole, Asia wants us to take leadership. There's some ambivalence, but there's tremendous interest."





A select group of the royal flock of El Escorial and visiting nobility.

## Fleece Fit for a King: Taking On Cashmere

By Suzy Menkes  
International Herald Tribune

**L**ONDON — A Spanish king with a penchant for tactile pleasures: a New Zealand farmer with a passion for curly heads; an endangered species shipped across the world; a suave man stepping out of a plane in an impeccable suit.

It sounds like a ripping good yarn — and so it is. For the luxury thread that binds the different elements of this story may soon make cashmere lose its cachet.

Enter El Escorial. You have never heard of it? But you soon will. Because the name of a 16th-century royal Spanish monastery has been given to the sheep that once grazed on its grounds and the spring yarn that is spun from their fleece.

Light as thistledown, soft as pussy willow and with a Lycra-like stretch, Escorial is being hailed as the revolutionary new natural fiber for the luxury market.

Already Brioni, the Italian house known for its high-quality menswear, is demonstrating the crease-resistant qualities by literally tying sleeves into knots — and then shaking them out, wrinkle free.

And Comme des Garçons is selling out of the scarves and sweaters in juicy colors that have only just been delivered to stores.

Now Paris haute couture has stroked the stuff and designers are competing to weave the fiber into their next fall-winter collections.

It all sounds like a marketing campaign by a textile company planning to churn out bales of the new yarn. But the reverse is true. Escorial is a two-man business built on the sweat of the brow of the New Zealander Peter Radford and the enthusiasm of London-based creative director Ben Frankel.

Radford was an agricultural student in 1965 when he first experimented with the yarn from a unique flock of miniature sheep that had survived "pristine" from the Middle Ages. Originating among the Berber tribes in the Atlas mountains of Morocco, the Spanish colonizing of North Africa's Maghreb region had swept the sheep into the court of King Felipe II of Spain. The monarch decreed the ultra-soft wool as only for royal garments, but a descendant sent a few sheep as presents to his German cousin.

There the European story ended in cross-breeding and extinction. But in 1828 a Scottish landowner had shipped to her estate in Tasmania 100 sheep which bred and survived.

"They were down to hobby status and the farmers hadn't been able to market them — but where the world saw them as oddities, I see them as opportunities," says Radford, whose passionate enthusiasm has enabled the

flocks to expand to 50,000.

Now, fending off overtures from Italian mills and working with Scottish weavers, Frankel is exploring and exploiting Escorial's potential. He has created ultra-fine knit, woven suitings and alibery jersey, all with the dry feel but luminous surface that seem to be Escorial's trademark. There is even a featherlight scarf in the natural cloud-cream color combed from the sheep's neck hairs like shatooshes — the sought-after scarves made from endangered Himalayan antelopes.

For Brioni, the importance of Escorial is its performance. Umberto Angeloni, Brioni's president, says that it is the ultimate dream to have a suit in a completely natural fabric with a luxurious look that does not wrinkle in a couple of hours, as cashmere does.

As soon as I felt it I knew it was something special — this fabric puts

together all the positive aspects of different wools," says Gabriele Napoletano, Brioni's sales manager.

Speaking from Tokyo, where a new Comme des Garçons shop opens this week, Adrian Joffe, designer Rei Kawakubo's partner, is excited by the yarn's ability to take deep dyes like shocking pink and chocolate brown and by its dry, soft feel.

"Rei normally develops her own woven fabrics in Tokyo, but she keeps her eyes open and she thinks this could be the new cashmere," says Joffe. "We are thrilled with the reaction."

So much praise, but aren't there any snags? Ah yes, the price. With Comme sweaters selling at \$300 and Brioni's suits at \$3,500, you might as well buy cashmere. Which is rather the point.

Cashmere was once the yarn of kings or those who could afford princely prices. Now, as the fur over American imports and the banana wars has proved, cashmere is mega-business.

China alone has more than 60 million cashmere-producing goats and world production of cashmere has reached 20,000 tons annually. The result has been a flood of cashmere, often of doubtful quality. Although the top end is still covetable and classy, fashion has had to create ever more complex double-faced and boiled fabrics to keep ahead.

The democratization of cashmere inevitably suggests the need for something even more exclusive. And an Escorial suit or sweater is not going to be mass market. Those little sheep from the Maghreb can produce 80 to 100 tons a year — less than 1 percent of the world's cashmere. They number just half the farmed herds of the llama family that produce vicuna and alpaca.

A fabric known only on the fashion grapevine, rare, pricey and worn as a secret pleasure by luxury's cognoscenti — what better recipe could there be for a style stampede?



The emblem of Escorial.

## Let It Rain! We're Dressed for It

By Suzy Menkes  
International Herald Tribune

**P**ARIS — Forget "cool" or "hot" as defining the height of hip. A new style vocabulary might now include "wet."

Wet? For as long as fashion folk can remember raincoats have been so uncool that being soaked to the skin, or even looking like the proverbial drowned rat, was preferable to being seen in a dreary beige shroud or a shiny plastic coverall. Even stepping out prepared for damp weather marked the wearer as, well, wet.

But suddenly, forward-thinking designers have plunged into the world of the raincoat, offering all sorts of design ideas to make April showers seem positively enticing.

This spring season's most unlikely contender for fashion stardom is the cape, formerly a favorite of bicycle messengers and Batman, but otherwise a style loser.

Fashion's cape crusader is Marc Jacobs, the American designer for Louis Vuitton. He decided to create a fashion culture for the luxury leather company by focusing on travel

wear. So the cape was given a trim new shape, luxurious fabric and finish and thus became a high-fashion item. Vuitton's star piece of rainproofing is a cape as sheer, pale and translucent as a shower curtain — and as effective at keeping drops at bay.

The cape has become a general trend, with Ralph Lauren offering the utility chic of a police cape made in silk falling gracefully from the shoulders. Issey Miyake, famous for weatherproof "wind coats" also showed a fresh version as ultra-light raincoats in fruit-drop colors.

Alongside the cape has come its hippie cousin the poncho — which is also appearing in rainproof materials. With graphic patterns, rather than ethnic, the poncho is distancing itself from its 1970s look.

Jacobs is also a proponent of the skinny coat, especially in his own New York collection. He cut a short, sharp fitted silhouette and made rainwear for Vuitton on that template, adding eye-popping futuristic patterns.

In fact, the printed coat has helped the revival of the raincoat, although plain colors, especially that familiar beige, retain their traditional importance.

At the heart of the classic raincoat business is Burberry, the British company that is currently having a makeover. Although there are still many variations on the closely woven gabardine invented a century ago, Roberto Menichetti, Burberry's new

Italian-born designer, has recut the familiar shapes, giving them fresh proportions and making the outline taut and lean.

So trenches are out? No, they are a significant and symbolic part of the weatherproof look, shown by designers as diverse as Saint Laurent Rive Gauche and Moschino. The trench looks cool in black, tomato red or one of the shiny metallic finishes, rather than just in natural.

Thomas Burberry's raincoats, so popular with the armed services, also fought a fashion war, for they faced off against that other British institution: the mackintosh.

**T**WO years after the battle of Waterloo, the Scot Charles Macintosh took out a patent for his method of waterproofing textiles by dissolving India rubber in coal tar and painting the mixture on the surface. Although the rubber riding mac that keeps water out but traps perspiration inside is now less popular, there is a new generation of plasticized cottons and nylon slipovers.

Vinyl was the space-age fabric of the 1960s, tailored into geometric shapes and most often seen in black and white. For spring, Paul Smith seemed to be harking back to a flower-child era with his floral-print raincoats in linear shapes.

The mania for sportswear has made the nylon parka or blouson jacket an all-weather item in many wardrobes. Inevitably, these functional jackets or calf-length coats come with hood, zipper, drawstring toggles and maybe a racing stripe down the sleeves. In her DKNY range, Donna Karan used featherlight nylon as utilitarian wear for essential pieces in her spring range and she made slipover jackets for fall.

Most inventive are the furniture-inspired slipcovers that Martin Margiela has designed both for Hermes and for his own label. The former were gauzy sheer coats like a waterproofed net curtain worn over a similarly shaped garment in woolen cloth or leather. For his own range, the duvet coat cover is just that: a top layer that slips on like bed linen.

The buzz word here is "integration." After years of being seen as a dull and routine garment to be dragged out of the closet when the clouds rolled up, the raincoat has now become an active and high-profile player in the modern wardrobe.



Moschino's short, sharp belted trenchcoat.



Above, Issey Miyake's rainproof, transparent plastic hooded coat in fruit-drop color.



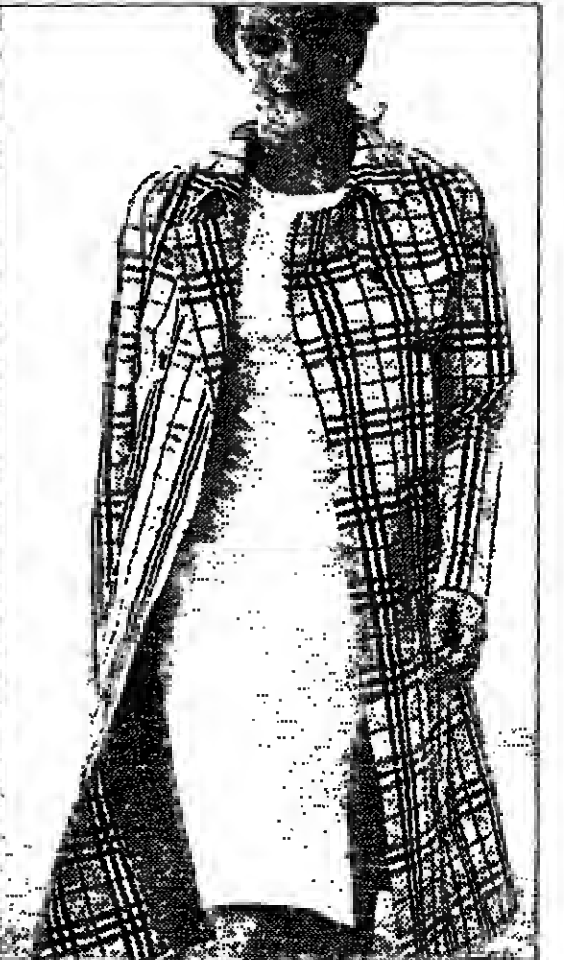
At left, Louis Vuitton's translucent "shower curtain" cape designed by Marc Jacobs.



Ralph Lauren's functional drawstring poncho.



Paul Smith's shiny-surface patterned coat.



Burberry's traditional coat in new proportions.



Rainproof nylon zip jacket from DKNY.

## CROSSWORD

### ACROSS

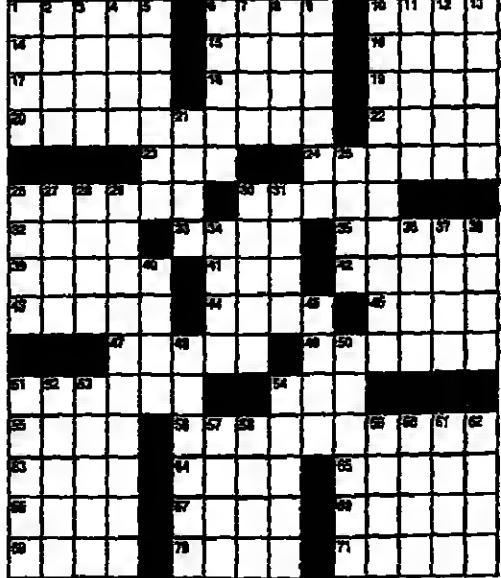
- 1 False witnesses
- 6 Vocalizes like the Beatles Boys
- 10 Pines in 1955 news
- 14 Venezuela's — Falls
- 15 Clairvoyant's start
- 16 Has a tab
- 17 Suffix with sea or moon
- 18 Grocery vehicle
- 19 Cottage course division
- 20 Production in a given period

### Solution to Puzzle of April 12

WOOF SMACK SMOG  
HUGO TAMOE HOUR  
ECHO ANODE RUDE  
THE LITTLE PRINCE  
PLEAD ENDED  
SKULKS KICK  
LIRA SIENA TIRE  
LIVSITTSY SPIDER  
PEA COAMS NEAR  
RING MEDALS  
OLSEN WHOLE  
WEAWEILLIEMINKIE  
LAVA AISLE TINA  
EVER SNEEP ELKS  
TEND YEARS DOSE

### DOWN

- 2 Trait determinant
- 3 Pinpoint point
- 4 MacNeil's longtime partner
- 5 Sombroso accompanier
- 8 Transparent
- 9 "Clock Jump"
- 11 Classic soft drink
- 12 Italian tourist center
- 13 Third-stringer
- 14 Sharpshooter's gift
- 17 Mission cancellation
- 18 Folded hand
- 19 Speechify
- 21 Lone Star State sch.
- 22 Chemicals plant
- 23 Hertz — Car
- 24 Slippery critters
- 25 Sit a spell
- 26 Aims —
- 27 "Hurry, please!"
- 28 Picaro conquest
- 29 Avoid a trial
- 30 Hero of 1898
- 31 Dog tag datum
- 32 Left Bank river
- 33 Autumn bloomer
- 34 Hoodlum
- 35 Move carefully (silo)
- 36 Sharky
- 37 Years ago
- 38 Uncool sort
- 39 Cold comfort?
- 40 Burger or dog topper
- 41 Vegetable soup bean
- 42 All-star game side, often
- 43 Waffle brand
- 44 Warm, so to speak
- 45 States further
- 46 Belle's man
- 47 One of Alcott's "Little Women"
- 48 Like some pools or paint
- 49 — Judaism
- 50 Stage or stadium, say
- 51 Ham it up
- 52 Star in Orion
- 53 Insurance seller
- 54 Look lustily
- 55 "QB VI" author
- 56 Field of study
- 57 Delaford's word
- 58 Politically incorrect suffix
- 59 Mark with a branding iron



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Wards

12 Month High Low Stock	Qty and PE	52 Week High	Low	Latest Change
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Japan Warns

Murdoch Plays

Thinking Ahead

Efficiency

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CURI

**Continued on Page 16**

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**CUBA**



TUESDAY, APRIL 13, 1999

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## Japan Warns Regional Bank to Shore Up Books

**TOKYO** — A regional bank, Kofuku Bank, was ordered to quickly shore up its capital level Monday, a day after the government took control of another hobbled bank amid Japan's continuing financial industry crisis.

The banking watchdog, the Financial Supervisory Agency, ordered Kofuku Bank's management to quickly build up the bank's capital levels, the Nihon Keizai Shimbun daily said.

The move came a day after the agency declared the small privately held lender, Kokumin Bank, insolvent after taking control of the institution.

Kokumin, based in Tokyo, had to write off 71.2 billion yen (\$586.7 million) more in bad loans than it had available in capital, the Financial Supervisory Agency said, after concluding an audit of the bank's books. The audit turned up 198 billion yen in problem loans as of the

end of September, 32 percent of Kokumin's total loan book and 85 billion yen more than the bank had found itself.

"The extremely large gap between our figures and theirs shows there was a problem with the bank's loan assessment process," said Kazuhiko Bando, director of the agency's evaluation division. "The bank hadn't properly evaluated the finances of its borrowers."

Troubles at Kofuku Bank surfaced last month when inspectors from the agency found that bank was several tens of billions of yen short in its loan-loss reserves, which cover bad loans, Nihon Keizai Shimbun said.

An agency official denied the report but Kofuku Bank, based in Osaka, admitted its capital-to-asset ratio was poor.

"We will drastically write off bad loans," the bank said in a statement. "As a result, our capital adequacy ratio will fall below 4 percent."

The Basel-based Bank for International Settlements requires banks operating internationally to have an 8 percent ratio.

Kofuku said it would try to raise its capital by borrowing from business allies. The bank has 128 branches and had 1.91 trillion yen in assets as of last September, Nihon Keizai said.

Prime Minister Keizo Obuchi vowed to press ahead Monday with a cleanup of the banking system.

"The Financial Supervisory Agency needs to investigate these small- and medium-sized financial institutions appropriately," he told reporters. "And as a result, if they are found to have liabilities exceeding assets, we have to take action under law. We need such measures to stabilize the financial system and gain trust."

Tokyo has already forcibly taken over two major banks and pushed others into

mergers in the past six months as it finally tries to tackle a widespread banking crisis.

Under a bank recapitalization program begun last October, Tokyo has injected more than 7.45 trillion yen of public money into 15 major banks to prop up their capital and encourage them to clear out bad loans.

Since the collapse of the bubble economy early this decade, vast numbers of bank loans to the construction, housing and real estate sectors have turned bad.

At the collapsed Kokumin Bank, a 40-branch bank based in Tokyo, depositors will be protected and the bank will continue to lend to healthy borrowers, the government said.

Government officials and the bank's president, Yukio Okonogi, blamed Kokumin's demise on media reports that sparked a run on the bank late last week.

"I can't help thinking that the media



Prime Minister Obuchi says he will push a cleanup of Japanese banks.

## Stock Price Is Moved Up By Goldman

Firm Hopes to Cash In On Rally in Its Sector

**NEW YORK** — Goldman, Sachs & Co. on Monday raised the price of its planned stock offering, hoping to cash in on the recent rise in shares of publicly traded financial-services companies.

Goldman, the last big investment-banking partnership on Wall Street, now plans to sell its shares for \$45 to \$55 each, up from the range of \$40 to \$50 a share that the company initially planned.

The price change means that Goldman's offering of 60 million shares in May will be worth a maximum of \$3.8 billion, including an extra 9 million shares it hopes to sell if investor demand is strong enough.

The stock offering, which equals an 11 percent stake in the company, values the whole firm at \$24 billion to \$30 billion.

As expected, Goldman also said, in a filing with the Securities and Exchange Commission, that it would wrap up the stock offering next month.

Goldman raised the price of the offering after looking at recent increases in the price of shares being sold by its publicly traded rivals such as Merrill Lynch & Co. and Morgan Stanley Dean Witter & Co.

In the filing, Goldman also for the first time disclosed how many shares its top executives held and provided other details of their compensation.

The company's chief executive, Henry Paulson, holds about 4.1 million shares, with an estimated value of \$185 million to \$225 million.

Robert Hurst, vice chairman, and the co-chief operating officers, John Thain and John Thornton, own more than 3 million shares each, according to the Goldman filing.

None of them will sell shares in the stock offering, the filing said.

**Record Profit at Bear Stearns**

Bear Stearns Cos. said its earnings in the most recent quarter rose 23 percent to a record \$204 million, marking a recovery from the market turmoil of last autumn, Reuters reported.

## Murdoch Plays Hardball

Fox Moves to Take Control of Sports Networks

By Geraldine Fabrikant  
New York Times Service

**NEW YORK** — Although Rupert Murdoch has an obsession with sports, no one has ever accused him of being a team player. And last week he put on a remarkable individual performance.

Even before last week, Mr. Murdoch's News Corp., already a power in the United States and overseas in broadcast sports coverage, had become a dominant force in sports cable television. With a three-year string of investments, he had turned News Corp.'s Fox Entertainment unit into a partial owner of all but four of the 23 U.S. regional sports networks — cable networks that arrange with professional teams to carry all games that are not picked up by national networks or local broadcasters.

But it was last week that Mr. Murdoch swung for the fences. In intricate deals valued at billions of dollars, Fox Entertainment moved to take outright control of two of the top five U.S. regional sports networks, as measured by number of cable subscribers. He also raised his stakes in 13 other regional networks, including the two in the lucrative New York market that together carry the

games of all the local professional baseball, basketball and hockey teams.

To be sure, last week was not as rosy overseas for Mr. Murdoch. His bid to buy Manchester United, one of the world's wealthiest soccer clubs, was blocked by the British government on grounds it would adversely affect competition between broadcasters.

But in the United States, the Australian-born Mr. Murdoch, who seldom watches games on the tube or in person, has acquired in very short order all or part of the regional cable rights to most professional teams. (That does not include teams in the National Football League, which deals only with national networks, such as Fox's broadcast network.)

In the United States, with Walt Disney Co.'s ESPN still dominating cable sports — 75 million subscribers nationally, compared with 65 million for all of Mr. Murdoch's various regional pacts — the playing field may not yet be level. But the topography has changed. Not only must many of America's cable operators now pay homage to Mr. Murdoch or his partners if they want to offer some of the most popular local programming on

See MURDOCH, Page 14

## Building Market Share

After its deal with Liberty Media, News Corp., through its Fox Sports subsidiary, will have significant or controlling stakes in the five largest U.S. cable sports networks.

## FOX SPORTS SOUTH

Subscribers 7.3 million

Ownership\*

Fox 44% Liberty Media 44%

Scripps Howard 12%

Sports programming

BASEBALL Atlanta Braves

HOCKEY Atlanta Thrashers, Nashville Predators, Carolina Hurricanes

BASKETBALL Atlanta Hawks, Charlotte Hornets

\*Still being negotiated.

Source: News Corp.



Rupert Murdoch, right, chairman and chief executive of News Corp., tossing a football at the New York Stock Exchange in November 1994 during a ceremony for Fox Entertainment Group, with Arthur S. Seltman, left, News Corp. senior executive vice president, and Richard Grasso, chairman of the exchange.

## FOX SPORTS SOUTHWEST

Subscribers 6.0 million

Ownership

Fox 100%

Sports programming

BASEBALL Texas Rangers

HOCKEY Dallas Stars

BASKETBALL Dallas Mavericks

## FOX SPORTS WEST

Subscribers 5.0 million

Ownership

Fox 100%

Sports programming

BASEBALL Anaheim Angels

HOCKEY L.A. Kings

BASKETBALL L.A. Lakers

## MSG

Subscribers 6.9 million

Ownership

Fox 40%

Cablevision 60%

Sports programming

BASEBALL N.Y. Yankees

HOCKEY N.Y. Rangers (owned by Cablevision and Fox)

BASKETBALL N.Y. Knicks (owned by Cablevision and Fox)

## FOX SPORTS NEW YORK

Subscribers 4.4 million

Ownership

Fox 40% Cablevision 60%

Sports programming

BASEBALL N.Y. Mets

HOCKEY N.J. Devils, N.Y. Islanders

BASKETBALL N.J. Nets

## Thinking Ahead / Commentary

## After Currency Union, the Hard Part

EU Countries Need to Build Confidence in Euro With Sound Politics

By Reginald Dale  
International Herald Tribune

**P**ARIS — First the Eurozone, now the Eurocurrency. One of the less widely foreseen results of the birth of the euro is that political decision-making in the European Union, long criticized for its lack of democratic accountability, is becoming increasingly subject to scrutiny by world financial markets as they seek to assess an appropriate value for the European currency.

EU decisions, often made behind closed doors in Brussels, were of considerably less interest in the days when markets followed the national currencies that the euro has replaced. For Europe's former top currency, the Deutsche mark, developments in Bonn or Frankfurt, the seat of German central bank, the Bundesbank, were much more important.

That is still true to a certain extent. With Germany accounting for nearly one-third of the 11-nation euro zone's economic output, and the Bundesbank still Europe's most influential national central bank, events in Germany remain significant, especially when much German economic news is unusually bad.

Now, however, the markets are also submitting events like the sudden resignation of the European Commission and the EU summit meeting in Berlin last month to unprecedented review. They are indicating that the euro's exchange rate will be affected by market confidence, or the lack of it, in the EU's ability to solve its economic and political problems and run the euro zone effectively.

The psychological basis of the euro's sensitivity to events in Brussels is

that monetary union is an EU creation," says Brendan Brown, of Tokyo-Mitsubishi International PLC in London.

Not only is the new European Central Bank an EU institution, but the commission has a significant role in policing the monetary union, particularly with respect to budgetary policy, Mr. Brown says. The smooth running of the European central banking system depends on harmonious relations among the three big euro-zone countries: Germany, France and Italy.

So far the markets have not liked what

**A lack of confidence in Europe's political and economic leadership has been one of the factors depressing the euro against the dollar.**

they have seen. According to many market analysts, the lack of confidence in Europe's political and economic leadership has been one of the factors depressing the euro, which has fallen by nearly 10 percent against the dollar since its launch at the beginning of January.

Of course there are other reasons for the euro's decline. The main ones have been the continuing vibrancy of the U.S. economy and expectations for interest-rate cuts by the European Central Bank, as duly announced Thursday. But the euro has also been weakened by a widespread impression in markets that Europe has not yet assumed enough responsibility for managing its new currency arrangement.

Confidence has been undermined by

attacks on the European Central Bank by European governments — especially during the brief reign of Oskar Lafontaine as Germany's finance minister — by strong hints that some governments prefer a weak euro to bolster exports, and by differences over economic policies among the bank and national capitals. Markets were unimpressed by the feeble efforts to reform the EU budget agreed in Berlin.

The good news is that the markets' new interest is beginning to get through to governments and sparking them into a greater sense of urgency. Although the Berlin budget agreement was far from satisfactory, the fact that there was a decision at all was at least partly due to the leaders' recognition that they are now responsible for the euro.

The same applies to the unprecedented rapid decision to nominate Romano Prodi as the next president of the European Commission — a miracle of decisiveness compared to the mess the governments made last year in trying to reconcile the competing claims of the Netherlands and France to the presidency of the European Central Bank.

The hope must be that the markets' new watchfulness, along with increasingly close supervision by the European Parliament, will improve the quality of EU decision-making and the competence of its institutions. It will almost certainly add to the pressures for closer economic and political integration, as a strong currency requires the backing of a well-integrated currency zone. If the EU wants sound Euro politics, it will have to get the Euro politics right, too.

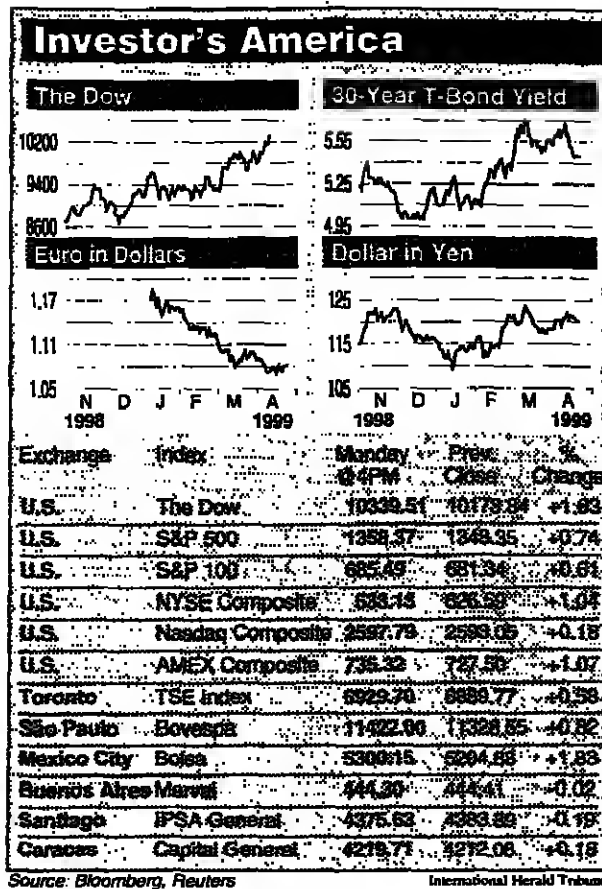
E-mail address: Thinkahead@ht.com

## CURRENCY RATES

April 12									
Cross Rates									
	\$	£	SF	Yen	CS	Dane	Greek	Swede	
London (d)	1.6143	—	2.385	193.88	2.4111	11.0604	483.18	13.3528	
New York (d)	—	1.6140	1.4855	120.27	1.4923	6.5395	300.03	6.2627	
Tokyo	120.80	194.50	81.74	—	80.54	17.60	n.a.	14.63	
Toronto	1.4961	2.4154	1.0124	1.2475	—	0.2164	0.5003	0.1809	
Zurich	1.4785	2.387	—	1.2312	0.9895	21.5451	0.494	0.1187	
One euro	1.0667	0.6723	1.403	130.27	1.6281	7.4336	324.56	9.02	
One SDR	1.3537	0.8444	2.004	163.977	2.0332	9.3425	n.a.	11.2321	
Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentine peso	0.0095	Hong Kong	7.7465	N. Zealand	1.644	S. Korea	41.47		
Australian \$	1.3545	Indian rupee	42.465	Norway	7.2885	Norw. krone	7.2885	S. Africa rand	1.1575
Brazilian real	1.70	Indonesian Rp	1,700	Poland zloty	50.45	S. Korea won	123.1		
Canadian peso	48.75	Japanese yen	106.48	Phil. peso	38.44	Taiwan \$	32.98		
Chinese yuan	8.28	Korean won	106.48	Portugal escudo	200.48	Thai baht	35.01		
Czech koruna	65.32	Latvian lats	1.3636	Russian ruble	25.09	Turkish liras	17.5873		
Egypt pound	2.4145	Malay ringgit	3.80	Saudi riyal	3.754	UAE dirham	3.6725		
Hong Kong \$	7.7465	Mexican peso	9.565	Singapore \$	1.7935	Venez. bolivar	585.25		
Source: Associated Press.									
Euro-EMU rates are permanently fixed									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Dollar	12.0682	37.199	5.4855	6.4866	1.8028	0.7821	285.40	2.032	184.67
French franc	20.4749	60.483	6.4815	9.2453	2.5717	1.7725	285.54	3.3897	298.46
Yen	9.50	3.2401	22.00	19.94	64.87	144.06	6.76	39.35	0.65
Source: Associated Press.									
Euro-EMU rates are permanently fixed									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Aust. Schilling	—	34.1109	2.2140	2.9777	7.8232	17.472	0.7107	4.5404	8.2781
Belg. Franc	2.3364	—	4.7862	6.4996	24.025	51.211	1.0634	10.3554	24.5448
Fin. Mark	0.001	14.2391	—	0.9044	3.24	2.2495	0.3071	2.4991	2.6479
Irish Punt	0.0476	16.3687	1.1002	—	3.5529	8.2289	0.3388	2.9766	2.7719
German Mark	0.1431	4.8664	0.2289	0.2929	—	2.484	0.101	0.8125	0.9754
Italian Lira	0.0072	1.9523	0.1323	0.12	0.0027	—	0.0402	0.3574	0.3928
Spanish Ptas	1.6664	166.64	—	166.64	166.64	—	166.64	166.64	166.64
Portug. Escudo	200.48	—	—	200.48	200.48	—	200.48	200.48	200.48
Swiss Franc	1.4756	—	—	1.4756	1.4756	—	1.4756	1.4756	1.4756
Swedish Krona	1.36	—	—	1.36	1.36	—	1.36	1.36	1.36
Source: Associated Press.									
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Swiss Franc	1.4756	—	—	1.4756	1.4756	—	1.4756	1.4756	1.4756
Swedish Krona	1.36	—	—	1.36	1.36	—	1.36	1.3	



## THE AMERICAS



## Rate Cut Helps Euro Post Gains

**Bloomberg News**

**NEW YORK** — The dollar fell against other major currencies Monday as investors continued to buy euros in the wake of the rate cut last week by the European Central Bank.

The central bank cut its main interest rate by a half a percentage point last week, to 2.50 percent. In a surprising reaction to a rate cut — usually a currency weakens because investment returns are lowered — the euro has gained strength from the move as investors foresee economic gains as a result.

A weak euro and the ECB rate cut "must give a stimulus to the economy," said Joop Beers of Delta Lloyd Verzekeringen-groep NV in Amsterdam. "We will see a higher growth rate at the end of the year."

The euro had been generally falling against the dollar since its introduction Jan. 1 because of concerns about the strength of the economy within the 11-nation euro zone.

Nonetheless, analysts said the rise of the euro could still be impeded by concerns surrounding the military conflict in Kosovo. In 4 P.M. trading, the dollar fell to 120.27 yen from 120.87 yen Friday. It also dropped against the euro, sending the European single currency up to \$1.0819 from \$1.0795.

The dollar was hurt early in the week by a warning of lower profit from Compaq Computer Corp. But the dollar recovered from its steepest losses as investors concluded that the concerns had been overstated.

Compaq said Friday that first-quarter profit would be about 50 percent below estimates because prices were falling and demand was weak.

The threat that lower earnings could take a toll on the U.S. stock market "is a reason to cut some dollar positions," said Carl Halligan, chief trader at CIBC Bank. The pound rose to \$1.6140 from \$1.6083. The dollar rose to 1.4855 Swiss francs from 1.4835 francs.

## FOREIGN EXCHANGE

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## Stocks Surge Despite a Warning

**Bloomberg News**

**NEW YORK** — Stock prices rose strongly Monday as investors shrugged off an early drop caused by a warning of weak earnings from Compaq Computer, saying the overall outlook for profits was sound.

"Low interest rates, low inflation and strong corporate profits are giving confidence to investors," said Howard Komblu, a money manager for Pilgrim Investments Inc.

"We had the bad news from Compaq and braced ourselves, but this market is very strong and will not be influenced by negative, company-specific events."

At the close, the Dow Jones industrial average was up 165.67 points at a record 10,339.51, recovering from an early 77-point drop.

The broader Standard & Poor's 500 index climbed 10.29 to 1,358.64. Even the technology-laden Nasdaq composite, though held back a bit by the Compaq warning, rose 5.70 to 2,559.75.

Advancing stocks outnumbered declining ones by a ratio of about 4 to 3 on the New York Stock Exchange.

## U.S. STOCKS

Leading the blue chips higher was American Express, which rose 7 1/16 to 135 7/16. The credit card and travel company benefited from a recommendation Friday by Byron Wien, chief U.S. portfolio analyst at Morgan Stanley. Financial stocks often perform well when investors expect continued gains in the economy and the markets.

Caterpillar, the maker of heavy construction, mining and agricultural equipment, rose 2 1/2 to 51 1/2.

## SWEDEN: Finance Minister's Abrupt Resignation Exposes Rifts in Coalition

Continued from Page 1

talist Greens after promising to maintain the country's generous welfare system. By resigning, Mr. Asbrink is trying to respond to the pressure for tax cuts without calling for offsetting spending cuts that would alienate his leftist allies.

Carl Bildt, leader of the opposition Moderate Party, said Mr. Asbrink's departure had signaled the "meltdown" of the country's experiment in "red-green" government cooperation. He called for elections to be held in June, when Swedish voters will elect members of the European Parliament, but held back from tabling a confidence motion to see whether the Greens and the Left Party would reaffirm their backing for the government.

The news also jolted financial markets, where Mr. Asbrink was highly regarded for having tried to keep a tight rein on spending and bring down the government's debt. The krona fell after the announce-

ment, as did government bond prices, pushing up interest rates.

"I see this as a very, very serious internal crisis for the government," said Klaus Eklund, chief economist at SE Bank. While junior ministers have voiced some criticism of Mr. Persson's heavy-handed style in the past, the sudden, angry departure of a longtime party loyalist such as Mr. Asbrink "shows that this is a very deep rift indeed," he said.

Bosse Ringholm, the head of the government employment agency who was named to succeed Mr. Asbrink, is an unknown quantity with no ministerial or financial experience.

"The reason he was chosen is that he doesn't have any views on economic policy and he will just follow the advice of Mr. Persson," said Mats Nyman, chief economist at Svenska Handelsbanken in London.

In a television interview Sunday, Mr. Persson said there could be room for tax cuts of 15 billion to 20 billion kronor (\$1.8 billion to \$2.4 billion), or about 1 percent of gross

domestic product, next year.

The comments apparently infuriated Mr. Asbrink, who had just completed negotiations with the government's leftist supporters on a budget that kept a tight lid on spending and contained no promise of tax cuts. Although Mr. Asbrink has expressed sympathy for industry's demands for tax cuts to bolster Sweden's competitiveness, he has insisted that debt reduction come first and that any tax cuts be financed by spending reductions.

The budget package endorsed by the cabinet last week "showed there was no such room" for tax cuts, Mr. Asbrink said. "Despite that, the prime minister has come out saying there was such room."

The budget was expected to be announced without changes by Mr. Ringholm in Parliament on Wednesday, but analysts said the new finance minister was likely to face fresh demands for higher spending on jobs measures from the Greens and the Left Party.

Mr. Bildt said the resignation of

the fiscally conservative Mr. Asbrink could shore up the government's support on the left in the short run, but he insisted that tax cuts would have to be met with spending cuts to raise Sweden's competitiveness. "It's the expenditure side that is the problem," he said.

Government spending accounts for about 62 percent of Sweden's gross domestic product, and workers earning more than 32,400 kronor a month pay an effective tax rate of more than 60 percent. Ericsson AB cited the tax burden as a reason behind its decision last year to establish a European headquarters in London, and several other companies including the forest-products concern Stora AB have shifted their headquarters out of the country through mergers for tax reasons.

The resignation was the biggest political tremor in Sweden since the resignation as finance minister of Kjell-Olof Feldt in early 1990, which signaled the beginning of the end of the government of Prime Minister Ingemar Carlsson.

## Very briefly:

- Adelphia Communications Corp. agreed to buy the cable systems of Harron Communications Corp. for \$1.17 billion in cash as it expands its cable-TV empire.
- Tyco International Ltd., the highest maker of electrical connectors after its acquisition of AMP Inc., will eliminate a further 4,000 jobs in addition to 4,200 cuts already planned.
- CBS Corp. will acquire KTVT-TV, its Dallas-Fort Worth affiliate, from Gaylord Entertainment Co., one of the largest Christian contemporary record companies, for \$485 million worth of CBS common stock.
- Microsoft Corp. is expected Tuesday to enter the battle to deliver music to consumers who download files through the Internet, according to people close to the company. The technology is called MS Audio 4.0, the latest contender to replace the MP3 file format.
- Starwood Hotels & Resorts Worldwide Inc., the world's largest hotel owner, is in negotiations to sell its Caesars World casinos.
- Dow Jones & Co.'s first-quarter net profit rose 3.7 percent, reflecting improved advertising sales last month for The Wall Street Journal.

## Weekend Box Office

**LOS ANGELES** — "The Matrix" dominated the U.S. box office over the weekend with a gross of \$22.2 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

	1. The Matrix	2. Newer Than Jesus	3. The Out-30	4. 10 Things I Hate About You	5. Analyze This	6. Go	7. Faces of Nature	8. Twin Dragons	9. Doug's First Movie	10. Foolish
Weekend Gross	\$22.2 million	\$11.7 million	\$3.3 million	\$2.7 million	\$2.1 million	\$1.7 million	\$1.7 million	\$1.7 million	\$1.7 million	\$1.7 million

## U. S. STOCK MARKET DIARY

Monday, April 12									
Indexes					Most Active				
Low Jones					NYSE				
Symbol	High	Low	Last	Chg.	Symbol	High	Low	Last	Chg.
DJIA	10740.40	10694.00	10739.51	+165.67	Catalyst	116.00	112.25	114.00	+3.75
S&P 500	3457.20	3428.30	3454.92	+26.63	Eastman	21.34	21.00	21.25	+0.25
NASDAQ	3072.30	3050.70	3070.30	+19.60	GenCorp	10.00	9.75	9.87	+0.12
SmallCap	3072.30	3050.70	3070.30	+19.60	GenCorp S	10.00	9.75	9.87	+0.12
Standard & Poors	1625.86	1622.34	1624.34	+1.62	Plasma	14.10	13.50	13.75	+0.25
Futures					NASDAQ				
Symbol	High	Low	Last	4 P.M.	Symbol	High	Low	Last	Chg.
ES	1625.86	1622.34	1624.34	+1.62	ES	1625.86	1622.34	1624.34	+1.62
MEAP	735.84	734.00	731.11	-22.94	ESM	1625.86	1622.34	1624.34	+1.62
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MEAP	735.84	734.00	731.11	-22.94					



## EUROPE

## Ford to Expand Parts Division With Kwik-Fit

LONDON — Ford Motor Co. agreed Monday to pay £1 billion (\$1.61 billion) in cash for Kwik-Fit PLC, Europe's largest car-parts chain, to try to expand the U.S. carmaker's operations in Europe.

European Union antitrust authorities last month authorized Ford's \$6.45 billion purchase of the passenger-car division of the Swedish automaker Volvo AB.

Ford agreed to pay 560 pence for each Kwik-Fit share, a 32.9 percent premium to Kwik-Fit's closing price of 421.5 pence Friday. Kwik-Fit's shares soared 28 percent on the announcement, finishing 119.5 pence higher at 541.

Car dealers around the world are tightening control over the after-sales part of the business to raise profit. Ford has said it wants to become the world's "leading con-

sumer company," capturing more of each customer's car spending. Ford already operates repair shops at its European dealerships. Kwik-Fit, based in Edinburgh, offers a large pool of repair customers, 80 percent of whom are not Ford customers.

Ford is "looking to make more money out of each car they sell, which means they want to provide service for life," said Charles Moss, an auto industry consultant with J.D. Power-LMC in Oxford, England. He added that independent car repair chains "have been taking a lot of money" from dealers' repair shops recently.

Kwik-Fit has 1,900 outlets in Europe, about half of them in Britain. On March 18, it said full-year net income rose 17.5 percent, helped by 32 new repair centers. It earned £46 million on sales of £516 million.

The price Ford is paying for the business is 21.5 times Kwik-Fit's per-share earnings in the latest financial year, which ended Feb. 28. The deal has to be approved by Kwik-Fit shareholders. The repair chain, which was founded by Tom Farmer, now its chairman, in 1971, plans to continue operating as a separate company and to maintain its Scottish headquarters and secure the jobs of the 9,500 workers.

Analysts have said the sales and service side of the car business will continue to consolidate. Most dealers in the United States and Europe are not owned by carmakers.

Ford has been acquiring car dealerships in the United States and in Britain recently. It established a joint-venture car dealership chain in Britain with Jardine Motors Group PLC. The venture, called Polar Motor Group Ltd., acquired Dagenham

Motors PLC last year for £28.3 million.

In October, Midas Inc. and Magneti Marelli SpA, a car-parts company controlled by Fiat SpA, announced an alliance to develop Midas's quick-turnaround car-repair business in Europe and South America. (AP, Bloomberg)

**Longbridge Plan Expected**

Bayerische Motoren Werke AG of Germany and the British government are expected this week to complete an aid agreement that will prevent the closing of BMW's Rover Longbridge car-assembly plant in England, Bloomberg News reported.

As part of the plan, Britain would provide £150 million in grants and other aid in exchange for BMW's pledge to invest £1.7 billion at the complex, according to analysts and government and union officials.

## ECB Hopes Rate Move Spurs Change

FRANKFURT — The chief economist at the European Central Bank, Otmar Issing, said Monday that the bank's decision to lower key interest rates last week would increase pressure on euro-zone governments to enact structural economic reforms.

"We're not so naive to assume that politicians are going to react to our decision with long-overdue reforms," Mr. Issing said in an interview in the German daily Handelsblatt, adding that opposition to structural reforms was still strong.

"But after our decision, it could become more difficult for politicians to divert attention from their own failures," he said.

Data released Monday by the European Union's statistical agency, Eurostat, underscored the need for measures to improve economic performance. The figures showed that the 11-nation euro zone experienced a sharp slowdown in growth in the fourth quarter of 1998.

Eurostat said growth in gross domestic product in the euro zone fell to a quarterly rate of 0.2 percent in the last three months of 1998, slowing markedly from 0.7 percent growth in the third quarter. GDP growth in the 15-nation EU fell to 0.2 percent from 0.6 percent.

The growth drop was caused mainly by lower exports and weaker growth in business investment.

The ECB cut its key refinancing rate by 50 basis points Thursday, taking it to 2.5 percent, while cutting other reference interest rates accordingly. (Reuters, Bridge News)

## Telecom Italia Looks to Plan B

MILAN — Telecom Italia SpA is looking for investors to top Olivetti SpA's \$65 billion hostile takeover bid, after shareholders Saturday foiled the Telecom Italia management's defense plan, a senior executive said Monday.

The rejection of the defense plan lifted Telecom Italia shares Monday as investors assumed that the company was now more likely to change hands, going either to Olivetti or to a "white knight." In late trading in Milan, the stock was up 52 cents at 9.89 euros (\$10.68).

(Bloomberg, Reuters)

## Russian Nuclear Industry Seeks Investors

By Matthew L. Wald  
New York Times Service

WASHINGTON — The company that operates 29 nuclear power plants in Russia, unable to collect cash for its electricity sales, is looking for investors from Western governments or companies interested in sharing control of the reactors.

The director-general of Russian Electric Power Co., Iurii Iuriev, said the company is looking for a partner to run a deficit of \$60 million this year, \$200 million next year and \$400 million the year after that.

The company lacks money to pay workers, perform maintenance and

repairs, inspect crucial piping and even to buy fuel, the director-general, Sergei Ivanov, said. At times the plants have only two or three days of fuel on hand, he said.

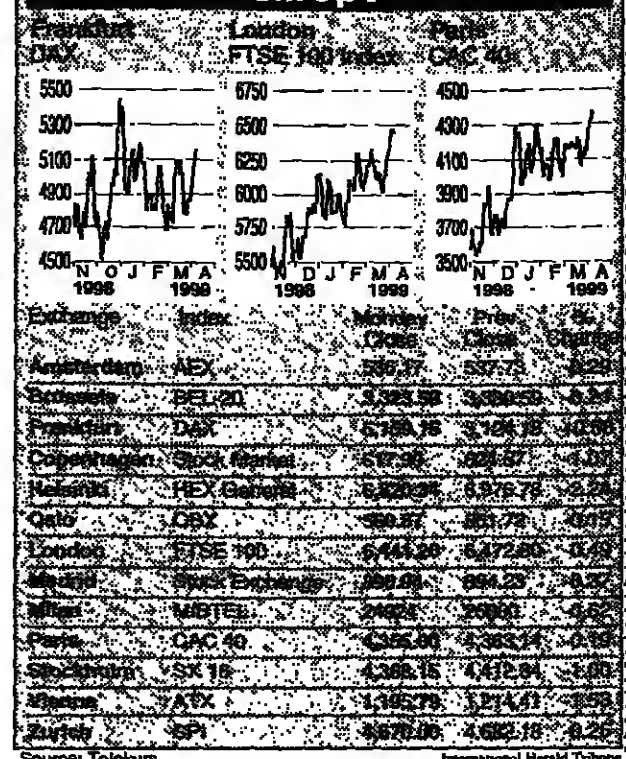
"To prevent possible catastrophes in the field of nuclear power, we need to organize some kind of new international body that will supervise the work of this network, not only from the point of view of technical support, which is usual, but financial investment support," Mr. Ivanov said.

The international group would manage the investments directly, rather than sending the funds through "well-known government thieves," he added. Day-to-day operations would remain in Russian hands.

While cash shortages are endemic throughout Russian business and industry, nuclear power officials point to the obvious fact that reactor problems in Russia could affect other nations. They argue, therefore, that the United States and other countries should help find solutions.

But the prospects for foreign investment seem uncertain at best. One anticipated difficulty is that Mr. Ivanov would like to use some of the investment to complete three partly built reactors — one of which is the same design as those at the Chernobyl nuclear power plant in Ukraine, scene of the 1986 explosion and fire. Two others are similar to Westinghouse plants in the United States.

## Investor's Europe



## Very briefly:

- ABB Asea Brown Boveri Ltd., won an order of more than \$340 million to supply China's Three Gorges dam with power transmission equipment.
- Diageo PLC may sell Gronpo Cruzcampo, its Spanish brewing operation. A Spanish newspaper reported that the buyer would be Heineken NV.
- Electronics Boutique PLC, a British video game player and software retailer, agreed to acquire a rival, Game PLC, for £99.2 million (\$159.5 million) in cash and stock.
- Electra Investment Trust PLC, the British investment trust fighting a £1.3 billion hostile bid from rival trust 3i Group PLC, is in talks to sell controlling stakes to two companies, seeking to raise at least £110 million.
- Germany's industrial output index fell by 3.4 percent in February from January, following a January rise of 2.9 percent, provisional data showed. (Bloomberg, AFP)

## WORLD STOCK MARKETS

Monday, April 12  
Prices in local currencies  
in euros for EMU countries.  
Tel Aviv

High	Low	Close	Prev.
Amsterdam	12.80	12.80	12.80
ASEX Index	584.7	584.7	584.7
Amst. 100	12.80	12.80	12.80
Amst. 200	12.80	12.80	12.80
Amst. 300	12.80	12.80	12.80
Amst. 400	12.80	12.80	12.80
Amst. 500	12.80	12.80	12.80
Amst. 600	12.80	12.80	12.80
Amst. 700	12.80	12.80	12.80
Amst. 800	12.80	12.80	12.80
Amst. 900	12.80	12.80	12.80
Amst. 1000	12.80	12.80	12.80
Amst. 1100	12.80	12.80	12.80
Amst. 1200	12.80	12.80	12.80
Amst. 1300	12.80	12.80	12.80
Amst. 1400	12.80	12.80	12.80
Amst. 1500	12.80	12.80	12.80
Amst. 1600	12.80	12.80	12.80
Amst. 1700	12.80	12.80	12.80
Amst. 1800	12.80	12.80	12.80
Amst. 1900	12.80	12.80	12.80
Amst. 2000	12.80	12.80	12.80

The Athens stock market was closed Monday for a holiday.

**Bangkok** SET Index: 2048.00  
Previous: 2048.00

High	Low	Close	Prev.
Bangkok	2048.00	2048.00	2048.00
Bangkok 100	2048.00	2048.00	2048.00
Bangkok 200	2048.00	2048.00	2048.00
Bangkok 300	2048.00	2048.00	2048.00
Bangkok 400	2048.00	2048.00	2048.00
Bangkok 500	2048.00	2048.00	2048.00
Bangkok 600	2048.00	2048.00	2048.00
Bangkok 700	2048.00	2048.00	2048.00
Bangkok 800	2048.00	2048.00	2048.00
Bangkok 900	2048.00	2048.00	2048.00
Bangkok 1000	2048.00	2048.00	2048.00
Bangkok 1100	2048.00	2048.00	2048.00
Bangkok 1200	2048.00	2048.00	2048.00
Bangkok 1300	2048.00	2048.00	2048.00
Bangkok 1400	2048.00	2048.00	2048.00
Bangkok 1500	2048.00	2048.00	2048.00
Bangkok 1600	2048.00	2048.00	2048.00
Bangkok 1700	2048.00	2048.00	2048.00
Bangkok 1800	2048.00	2048.00	2048.00
Bangkok 1900	2048.00	2048.00	2048.00
Bangkok 2000	2048.00	2048.00	2048.00

**Buenos Aires** Merval Index: 4441.00  
Previous: 4441.00

High	Low	Close	Prev.
Buenos Aires	4441.00	4441.00	4441.00
Buenos Aires 100	4441.00	4441.00	4441.00
Buenos Aires 200	4441.00	4441.00	4441.00
Buenos Aires 300	4441.00	4441.00	4441.00
Buenos Aires 400	4441.00	4441.00	4441.00
Buenos Aires 500	4441.00	4441.00	4441.00
Buenos Aires 600	4441.00	4441.00	4441.00
Buenos Aires 700	4441.00	4441.00	4441.00
Buenos Aires 800	4441.00	4441.00	4441.00
Buenos Aires 900	4441.00	4441.00	4441.00
Buenos Aires 1000	4441.00	4441.00	4441.00
Buenos Aires 1100	4441.00	4441.00	4441.00
Buenos Aires 1200	4441.00	4441.00	4441.00
Buenos Aires 1300	4441.00	4441.00	4441.00
Buenos Aires 1400	4441.00	4441.00	4441.00
Buenos Aires 1500	4441.00	4441.00	4441.00
Buenos Aires 1600	4441.00	4441.00	4441.00
Buenos Aires 1700	4441.00	4441.00	4441.00
Buenos Aires 1800	4441.00	4441.00	4441.00
Buenos Aires 1900	4441.00	4441.00	4441.00
Buenos Aires 2000	4441.00	4441.00	4441.00

**Copenhagen** Stock Index: 6147.00  
Previous: 6147.00

High	Low	Close	Prev.
Copenhagen	6147.00	6147.00	6147.00
Copenhagen 100	6147.00	6147.00	6147.00
Copenhagen 200	6147.00	6147.00	6147.00
Copenhagen 300	6147.00	6147.00	6147.00
Copenhagen 400	6147.00	6147.00	6147.00
Copenhagen 500	6147.00	6147.00	6147.00
Copenhagen 600	6147.00	6147.00	6147.00
Copenhagen 700	6147.00	6147.00	6147.00
Copenhagen 800	6147.00	6147.00	6147.00
Copenhagen 900	6147.00	6147.00	6147.00
Copenhagen 1000	6147.00	6147.00	6147.00
Copenhagen 1100	6147.00	6147.00	6147.00
Copenhagen 1200	6147.00	6147.00	6147.00
Copenhagen 1300	6147.00	6147.00	6147.00
Copenhagen 1400	6147.00	6147.00	6147.00
Copenhagen 1500	6147.00	6147.00	6147.00
Copenhagen 1600	6147.00	6147.00	6147.00
Copenhagen 1700	6147.00	6147.00	6147.00
Copenhagen 1800	6147.00	6147.00	6147.00
Copenhagen 1900	6147.00	6147.00	6147.00
Copenhagen 2000	6147.00	6147.00	6147.00

## Kuala Lumpur

High Low Close Prev.

High	Low	Close	Prev.
Kuala Lumpur	12.80	12.80	12.80
Kuala Lumpur 100	12.80	12.80	12.80
Kuala Lumpur 200	12.80	12.80	12.80
Kuala Lumpur 300	12.80	12.80	12.80
Kuala Lumpur 400	12.80	12.80	12.80
Kuala Lumpur 500	12.80	12.80	12.80
Kuala Lumpur 600	12.80	12.80	12.80
Kuala Lumpur 700	12.80	12.80	12.80
Kuala Lumpur 800	12.80	12.80	12.80
Kuala Lumpur 900	12.80	12.80	12.80
Kuala Lumpur 1000	12.80	12.80	12.80
Kuala Lumpur 1100	12.80	12.80	12.80
Kuala Lumpur 1200	12.80	12.80	12.80
Kuala Lumpur 1300	12.80	12.80	12.80
Kuala Lumpur 1400	12.80	12.80	12.80
Kuala Lumpur 1500	12.80	12.80	12.80
Kuala Lumpur 1600	12.80	12.80	12.80
Kuala Lumpur 1700	12.80	12.80	12.80
Kuala Lumpur 1800	12.80	12.80	12.80
Kuala Lumpur 1900	12.80	12.80	12.80
Kuala Lumpur 2000	12.80	12.80	12.80

**London** FTSE 100 Index: 4441.00  
Previous: 4441.00

High	Low	Close	Prev.
London	4441.00	4441.00	4441.00
London 100	4441.00	4441.00	4441.00
London 200	4441.00	4441.00	4441.00
London 300	4441.00	4441.00	4441.00
London 400	4441.00	4441.00	4441.00
London 500	4441.00	4441.00	4441.00
London 600	4441.00	4441.00	4441.00
London 700	4441.00	4441.00	4441.00
London 800	4441.00	4441.00	4441.00
London 900	4441.00	4441.00	4441.00
London 1000	4441.00	4441.00	4441.00
London 1100	4441.00	4441.00	4441.00
London 1200	4441.00	4441.00	4441.00
London 1300	4441.00	4441.00	4441.00
London 1400	4441.00	4441.00	4441.00
London 1500	4441.00	4441.00	4441.00
London 1600	4441.00	4441.00	4441.00
London 1700	4441.00	4441.00	4441.00
London 1800	4441.00	4441.00	4441.00
London 1900	4441.00	4441.00	4441.00
London 2000	4441.00	4441.00	4441.00

**Hong Kong** Hang Seng Index: 10442.00  
Previous: 10442.00

High	Low	Close	Prev.
Hong Kong	10442.00	10442.00	10442.00
Hong Kong 100	10442.00	10442.00	10442.00
Hong Kong 200	10442.00	10442.00	10442.00
Hong Kong 300	10442.00	10442.00	10442.00
Hong Kong 400	10442.00	10442.00	10442.00
Hong Kong 500	10442.00	10442.00	10442.00
Hong Kong 600	10442.00	10442.00	10442.00
Hong Kong 700	10442.00	10442.00	10442.00
Hong Kong 800	10442.00	10442.00	10442.00
Hong Kong 900	10442.00	10442.00	10442.00
Hong Kong 1000	10442.00	10442.00	10442.00
Hong Kong 1100	10442.00	10442.00	10442.00
Hong Kong 1200	10442.00	10442.00	10442.00
Hong Kong 1300	10442.00	10442.00	10442.00
Hong Kong 1400	10442.00	10442.00	10442.00
Hong Kong 1500	10442.00	10442.00	10442.00
Hong Kong 1600	10442.00	10442.00	10442.00
Hong Kong 1700	10442.00	10442.00	10442.00
Hong Kong 1800	10442.00	10442.00	10442.00
Hong Kong 1900	10442.00	10442.00	10442.00
Hong Kong 2000	10442.00	10442.00	10442.00



NASDAQ

Monday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

Stock	Dr	Yld	PE	100H	Low	High	Open
IBM	127.50	4.5	15.0	127.50	127.50	127.50	127.50
Microsoft	56.00	4.0	14.0	56.00	56.00	56.00	56.00
Apple	45.00	3.5	13.0	45.00	45.00	45.00	45.00
Oracle	35.00	3.0	12.0	35.00	35.00	35.00	35.00
Sun	25.00	2.5	11.0	25.00	25.00	25.00	25.00
HP	20.00	2.0	10.0	20.00	20.00	20.00	20.00
Intel	15.00	1.5	9.0	15.00	15.00	15.00	15.00
Motorola	10.00	1.0	8.0	10.00	10.00	10.00	10.00
Verizon	5.00	0.5	7.0	5.00	5.00	5.00	5.00
AT&T	4.00	0.4	6.0	4.00	4.00	4.00	4.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Amazon	10.00	1.0	10.0	10.00	10.00	10.00	10.00
Alibaba	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Google	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Facebook	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Twitter	4.00	0.4	4.0	4.00	4.00	4.00	4.00
LinkedIn	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Slack	2.00	0.2	2.0	2.00	2.00	2.00	2.00
Zoom	1.50	0.15	1.5	1.50	1.50	1.50	1.50
Dropbox	1.00	0.1	1.0	1.00	1.00	1.00	1.00
Evernote	0.80	0.08	0.8	0.80	0.80	0.80	0.80

Stock	Dr	Yld	PE	100H	Low	High	Open
Netflix	12.00	1.2	12.0	12.00	12.00	12.00	12.00
Spotify	10.00	1.0	10.0	10.00	10.00	10.00	10.00
SoundCloud	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Bandcamp	6.00	0.6	6.0	6.00	6.00	6.00	6.00
SoundCloud	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Bandcamp	4.00	0.4	4.0	4.00	4.00	4.00	4.00
SoundCloud	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Bandcamp	2.00	0.2	2.0	2.00	2.00	2.00	2.00
SoundCloud	1.50	0.15	1.5	1.50	1.50	1.50	1.50
Bandcamp	1.00	0.1	1.0	1.00	1.00	1.00	1.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	15.00	1.5	15.0	15.00	15.00	15.00	15.00
LinkedIn	12.00	1.2	12.0	12.00	12.00	12.00	12.00
Slack	10.00	1.0	10.0	10.00	10.00	10.00	10.00
Zoom	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Dropbox	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Evernote	5.00	0.5	5.0	5.00	5.00	5.00	5.00
SoundCloud	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Bandcamp	3.00	0.3	3.0	3.00	3.00	3.00	3.00
SoundCloud	2.00	0.2	2.0	2.00	2.00	2.00	2.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	10.00	1.0	10.0	10.00	10.00	10.00	10.00
LinkedIn	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Slack	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Zoom	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Dropbox	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Evernote	3.00	0.3	3.0	3.00	3.00	3.00	3.00
SoundCloud	2.00	0.2	2.0	2.00	2.00	2.00	2.00
Bandcamp	1.50	0.15	1.5	1.50	1.50	1.50	1.50
SoundCloud	1.00	0.1	1.0	1.00	1.00	1.00	1.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	8.00	0.8	8.0	8.00	8.00	8.00	8.00
LinkedIn	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Slack	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Zoom	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Dropbox	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Evernote	2.00	0.2	2.0	2.00	2.00	2.00	2.00
SoundCloud	1.50	0.15	1.5	1.50	1.50	1.50	1.50
Bandcamp	1.00	0.1	1.0	1.00	1.00	1.00	1.00
SoundCloud	0.80	0.08	0.8	0.80	0.80	0.80	0.80

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	6.00	0.6	6.0	6.00	6.00	6.00	6.00
LinkedIn	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Slack	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Zoom	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Dropbox	2.00	0.2	2.0	2.00	2.00	2.00	2.00
Evernote	1.50	0.15	1.5	1.50	1.50	1.50	1.50
SoundCloud	1.00	0.1	1.0	1.00	1.00	1.00	1.00
Bandcamp	0.80	0.08	0.8	0.80	0.80	0.80	0.80
SoundCloud	0.60	0.06	0.6	0.60	0.60	0.60	0.60

NYSE  
Monday's 4 P.M. Close  
(Continued)

Stock	Dr	Yld	PE	100H	Low	High	Open
IBM	127.50	4.5	15.0	127.50	127.50	127.50	127.50
Microsoft	56.00	4.0	14.0	56.00	56.00	56.00	56.00
Apple	45.00	3.5	13.0	45.00	45.00	45.00	45.00
Oracle	35.00	3.0	12.0	35.00	35.00	35.00	35.00
Sun	25.00	2.5	11.0	25.00	25.00	25.00	25.00
HP	20.00	2.0	10.0	20.00	20.00	20.00	20.00
Intel	15.00	1.5	9.0	15.00	15.00	15.00	15.00
Motorola	10.00	1.0	8.0	10.00	10.00	10.00	10.00
Verizon	5.00	0.5	7.0	5.00	5.00	5.00	5.00
AT&T	4.00	0.4	6.0	4.00	4.00	4.00	4.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Amazon	10.00	1.0	10.0	10.00	10.00	10.00	10.00
Alibaba	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Google	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Facebook	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Twitter	4.00	0.4	4.0	4.00	4.00	4.00	4.00
LinkedIn	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Slack	2.00	0.2	2.0	2.00	2.00	2.00	2.00
Zoom	1.50	0.15	1.5	1.50	1.50	1.50	1.50
Dropbox	1.00	0.1	1.0	1.00	1.00	1.00	1.00
Evernote	0.80	0.08	0.8	0.80	0.80	0.80	0.80

Stock	Dr	Yld	PE	100H	Low	High	Open
Netflix	12.00	1.2	12.0	12.00	12.00	12.00	12.00
Spotify	10.00	1.0	10.0	10.00	10.00	10.00	10.00
SoundCloud	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Bandcamp	6.00	0.6	6.0	6.00	6.00	6.00	6.00
SoundCloud	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Bandcamp	4.00	0.4	4.0	4.00	4.00	4.00	4.00
SoundCloud	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Bandcamp	2.00	0.2	2.0	2.00	2.00	2.00	2.00
SoundCloud	1.50	0.15	1.5	1.50	1.50	1.50	1.50
Bandcamp	1.00	0.1	1.0	1.00	1.00	1.00	1.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	15.00	1.5	15.0	15.00	15.00	15.00	15.00
LinkedIn	12.00	1.2	12.0	12.00	12.00	12.00	12.00
Slack	10.00	1.0	10.0	10.00	10.00	10.00	10.00
Zoom	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Dropbox	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Evernote	5.00	0.5	5.0	5.00	5.00	5.00	5.00
SoundCloud	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Bandcamp	3.00	0.3	3.0	3.00	3.00	3.00	3.00
SoundCloud	2.00	0.2	2.0	2.00	2.00	2.00	2.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	10.00	1.0	10.0	10.00	10.00	10.00	10.00
LinkedIn	8.00	0.8	8.0	8.00	8.00	8.00	8.00
Slack	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Zoom	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Dropbox	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Evernote	3.00	0.3	3.0	3.00	3.00	3.00	3.00
SoundCloud	2.00	0.2	2.0	2.00	2.00	2.00	2.00
Bandcamp	1.50	0.15	1.5	1.50	1.50	1.50	1.50
SoundCloud	1.00	0.1	1.0	1.00	1.00	1.00	1.00

Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	8.00	0.8	8.0	8.00	8.00	8.00	8.00
LinkedIn	6.00	0.6	6.0	6.00	6.00	6.00	6.00
Slack	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Zoom	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Dropbox	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Evernote	2.00	0.2	2.0	2.00	2.00	2.00	2.00
SoundCloud	1.50	0.15	1.5	1.50	1.50	1.50	1.50
Bandcamp	1.00	0.1	1.0	1.00	1.00	1.00	1.00
SoundCloud	0.80	0.08	0.8	0.80	0.80	0.80	0.80

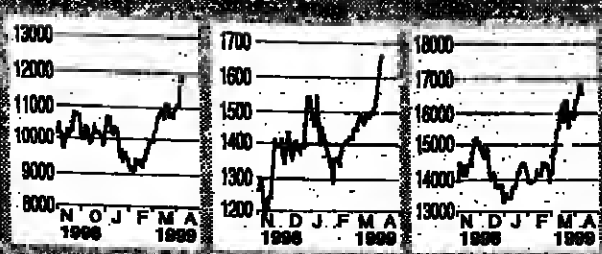
Stock	Dr	Yld	PE	100H	Low	High	Open
Twitter	6.00	0.6	6.0	6.00	6.00	6.00	6.00
LinkedIn	5.00	0.5	5.0	5.00	5.00	5.00	5.00
Slack	4.00	0.4	4.0	4.00	4.00	4.00	4.00
Zoom	3.00	0.3	3.0	3.00	3.00	3.00	3.00
Dropbox	2.00	0.2	2.0	2.00	2.00	2.00	2.00
Evernote	1.50	0.15	1.5	1.50	1.50	1.50	1.50
SoundCloud	1.00	0.1	1.0	1.00	1.00	1.00	1.00
Bandcamp	0.80	0.08	0.8	0.80	0.80	0.80	0.80
SoundCloud	0.60	0.06	0.6	0.60	0.60	0.60	0.60

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## ASIA/PACIFIC

## Investor's Asia



Source: Reuters

## Very briefly:

- South Korea's net foreign debt fell 8.4 percent in February from the previous month, to \$16.14 billion, as Seoul paid off more of the emergency loans it took out in 1997.
- The United States and Japan led a day of talks in Singapore on a \$10 billion aid plan for Asian countries hit by the regional financial crisis. Officials from the World Bank and the Asian Development Bank as well as the International Monetary Fund were attending the talks.
- Hitachi Ltd., Toshiba Corp. and General Electric Co. are in talks to begin jointly selling nuclear fuel by the end of this year. The three companies already manufacture nuclear fuel.
- Malaysia has earmarked 850 million singgit (\$223.7 million) to help fix its "millennium bug" computer problems for the start of 2000.
- Samsung Electronics Co. of South Korea has developed non-memory telecom chips that form the core parts of mobile phones backed by Code Division Multiple Access technology — a cellular-phone technology that dominates the U.S. market.
- San Miguel Brewery Hong Kong Ltd. said its parent, San Miguel Corp., of the Philippines, was exploring a possible alliance with foreign beer companies.
- Rio Tinto Ltd. lifted its stake in Comalco Ltd. by a further 2 percent, taking its interest in Australia's largest aluminum producer to 72.36 percent, as aluminum prices remained near five-year lows.
- Hong Kong's Securities and Futures Commission has been asked by a bidding group led by the U.S. financier Sam Zell to veto the imminent takeover by the investment bank Lazard Asia Ltd. of Sally Aw's 50.04 percent stake in Sing Tao Holdings Ltd. The Zell group has bought 3 percent of the publishing empire.
- NTT Mobile Communications Network Inc., the Japanese cellular phone operator, will introduce next week a new mobile phone handset that combines cellular and personal handy-phone system formats.

Bloomberg, AFP, Reuters, AP

## Compaq Cuts Prices In Japan

Bloomberg News

TOKYO — Compaq Computer Corp. said Monday it would cut prices of corporate computers in Japan by an average of 20 percent to try to raise sales in the world's second-largest computer market.

Compaq Computer KK, the Japanese arm of the world's largest personal-computer maker, will lower prices for all its desktops, laptops and PC servers, Kazunori Tachibana, a company spokesman, said.

Compaq said it would start advertising the price cuts this month. Mr. Tachibana said the company could cut prices without affecting profit margins because it had taken steps to reduce distribution costs.

Compaq's action follows IBM Japan Ltd.'s decision last week to slash its suggested retail prices for PCs by as much as 30 percent.

Compaq is feeling increased competition in the United States, the world's biggest market for PCs. Houston-based Compaq said Friday that its first-quarter earnings would be only about half as much as analysts had forecast because of falling prices for personal computers.

Compaq is struggling in the United States and Europe to keep up with rivals such as Dell Computer Corp., which has kept costs down by selling directly to customers. Dell's personal-computer sales surged 65 percent in 1998, raising its global market share to 7.9 percent, good for third place behind Compaq and International Business Machines Corp., which had an 8.2 percent share.

Japanese computer sales are rising even as the country is mired in the worst recession of the postwar era. Domestic shipments of PCs during the October-December period had their sharpest rise in seven quarters, according to industry figures.

Japanese domestic shipments of personal computers will probably rise 10 percent in 1999, the first gain in three years, as a surge in sales to individuals offset stifled corporate demand, according to IDC Japan Ltd., a private technology market research company.

In Japan, IBM was the third-largest PC seller in 1998, with a 10.4 percent market share. Compaq ranked seventh with a 4.3 percent share, and Dell ranked ninth with 3.1 percent. Four of the top five PC suppliers are domestic companies, led by NEC Corp.

## A Chinese Web Site for Business Matchmaking

By Bob Tedeschi  
New York Times Service

NEW YORK — In the first official foray into electronic commerce for the world's fastest-growing economy, the government of China has set up an Internet site intended to help its companies market goods to American corporations.

The new Web site, [www.meetchina.com](http://www.meetchina.com), which was announced Monday, is operated for China by U.S. Business Network Inc., a San Francisco-based company.

According to Ken Leonard, the company's chief executive, the site will be a clearinghouse of sorts for

companies in China that wish to connect with U.S. customers.

The Chinese government will help U.S. Business Network solicit companies that will pay \$1,500 to \$3,000 to participate in the site, and receive help developing American contacts, with 20 percent of the proceeds going to the government.

Participating Chinese companies will be able to post information about themselves and their products or services, along with contact information, including e-mail addresses.

Until recently, Mr. Leonard said, Chinese companies were not allowed to make direct contact with foreign companies, but instead were

required to first seek export licenses from the government.

In recent months, China has been more liberal in issuing such licenses, particularly for smaller companies, and dealing directly with Western businesses. It is smaller companies that China is trying to promote through the new site, he said.

According to Michael Borris, co-director of the Berkeley Roundtable on the International Economy, the site's debut is more notable for its political implications than as a breakthrough on electronic commerce.

Observing that the government has been trying to privatize China's state-owned industries, Mr. Borris

said, "This will facilitate that process by pushing them to reform via contact with the West."

"It also falls into the classic Chinese model of dabbling in something long enough to see the various impacts before you commit to it completely," Mr. Borris said.

Mr. Leonard, who lobbied the Chinese government for a year before receiving the go-ahead, said the site would focus first on Chinese businesses that are involved in the information technology industry.

He added that the site was being marketed on the Internet, through banner advertisements on Yahoo.com, for example.

## Oil Producers Announce Deeper Cuts in Asia

SINGAPORE — Oil producers announced a flurry of cuts in their supplies to Asia on Monday and told buyers that cuts in May would be deeper than those this month.

The world's biggest oil exporter, Saudi Arabia, told customers that supplies in May would be slashed as much as 17 percent in Japan and 19 percent in South Korea.

Oman extended its supply cuts, telling customers that the announced cut of 8.2 percent for May would be increased to more than 11 percent.

For Asia, the cut in global supplies comes as its economies are trying to extricate themselves from almost two years of economic crisis.

Analysts have said a sudden rise in import costs for crude could curtail the region's recovery because it would prompt a drain on dollars and given the rise in oil prices, could lead to worries about importing inflation.

Much of the concern about inflation would depend on whether importers can pass on the higher costs. Several of the crisis-hit countries

are experiencing furious competition in the oil sector.

The latest announcements followed an assessment of the cuts from the International Energy Agency, which said in a report Friday that world oil stocks would fall sharply in 1999 as a result of a global producer plan to cut world supplies by 2.1 million barrels a day for the rest of the year.

It forecast that supplies would fall by 330 million barrels by the end of the year if there was 85 percent compliance with the agreement on production cuts that was put

together in The Hague in March.

It estimated the current overhang of crude-oil and oil-product stocks at 500 million barrels.

"Oil production agreements have had a history of fragility, but this one may be different," the energy agency said.

"The deep political foundation underpinning the agreement makes it very difficult to violate the agreement without losing face."

Traders said they were waiting for notice from Iran on the level of May supply cuts. Tehran cut its supplies in April by 15 percent.

## Bank in Seoul Gets Goldman Investment

Compiled by Our Staff From Dispatches

SEOUL — Goldman, Sachs & Co. signed on Monday to invest \$500 million in Kookmin Bank of South Korea, aligning itself with the nation's merger-and-acquisitions specialist as South Korean companies are restructuring at their fastest pace in decades.

The deal was hailed as a sign of international confidence in the country's economic recovery.

"I believe this proves not only foreign confidence in the South Korean economy but also Kookmin Bank's stable earnings outlook and competitive edge," Song Dal-ho, head of Kookmin Bank, said.

Goldman, a New York-based investment-banking partnership, signed a memorandum of understanding to buy about 17 percent of Kookmin, becoming the biggest shareholder in South Korea's largest retail bank.

For Goldman, the purchase offers an entry into the country's banking industry — one of Asia's largest outside Japan — and access to South Korea's biggest industrial business groups, or chaebols.

A new partner also could help Kookmin clean up bad loans. Kookmin's shares closed in Seoul at 17,400 won (\$142), up 1,000.

(Bloomberg, AFP, Reuters)

## FIDELITY ORIENT FUND

Société d'investissement à Capital Variable  
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(In Liquidation)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Orient Fund S.A. (the "Company") will be held at the registered office of the Company in Luxembourg on April 22, 1999 at 11.00 a.m. to consider the following agenda:

1. To hear the report of the Auditor to the Liquidation.
2. To approve the report of the Liquidator and of the Auditor to the Liquidation.
3. To grant discharge to the Liquidator and to the Auditor to the Liquidation.
4. To grant discharge to the Directors in office at the date of Liquidation.
5. To resolve the close of the Liquidation of the Company.
6. To resolve to keep the records and books of the Company for a time of 5 years at the registered office of the Company.
7. To note that proceeds which have not been distributed will be transferred to the Caisse des Consignations to be held for the benefit of the persons entitled thereto.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A Shareholder may not at any Meeting by proxy.

By Order of the Board of Directors  
October 5, 1998

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## INTERNATIONAL INVESTING

## A European Fund Manager Weighs the Balkan Crisis and Growth Prospects

New York Times Service

It was not so long ago that experts figured Europe was picking up enough economic momentum that the world would scarcely notice if American consumers could no longer prime the world economy with their free-spending ways.

But Europe's economic growth is lagging. And for American investors, the Bloomberg European 500 Index has furnished a return of just 1.7 percent for the year to date. The conflict in Kosovo raises further questions about Europe's prospects.

Offering a trans-Atlantic slant on current developments, Andreas Utermann, portfolio manager of the Mercury Pan-European Growth fund, managed by Merrill Lynch & Co., took time last week to talk with Robert D. Hershey Jr., of The New York Times about the European

market's travails.

The fund, which has attracted \$600 million since it started in October, is fully invested in West European equities.

Q. Are the hostilities in Yugoslavia an economic concern?

A. One needs to put the crisis into perspective. The Balkans have actually been in crisis since 1990, when the Iron Curtain was dissolving. And they have had quite a limited impact on real economic activity in Europe. Trade and investment by Western companies are negligible. There are virtually no loans outstanding.

If anything, it's a psychological impact. You can clearly see that the markets that are closest to that region, like Greece, have taken the biggest hits. And

## Q &amp; A / Andreas Utermann, Mercury Pan-European Growth Fund

this should be reversed once the crisis dies down.

Q. What will be the effect of rebuilding?

A. The impact is not going to be huge. The first impact is likely to be quite positive on economic growth because the companies benefiting are probably those closest to the region—European companies financed by Western money.

Q. Have prospects begun to improve for growth in Europe and for its stock markets?

A. Underlying economic activity does not necessarily impact, either positively or negatively, the stock markets, particularly in a world where disinflation continues to be a feature. Companies are

not counting on top-line growth and, therefore, not counting on economic growth to propel their sales. They're focusing on reducing costs.

And European growth is very differentiated. The Iberian Peninsula, Ireland, the Netherlands are growing very fast 3 percent plus. France is surprising on the upside. You have other regions where growth is slowing, such as Britain, or where growth is disappointing, such as Germany.

Overall, it's not speeding up, but it's not slowing down to the extent that there's risk of recession.

Q. Why has the euro started out so surprisingly weak?

A. The euro is clearly a very important

factor. European stock markets are up this year in local currency terms by 5 to 10 percent, but because the euro has depreciated 7 or 8 percent, that has depressed U.S. returns on the European markets.

But compared with where it was six months or so ago, the euro is at the same level relative to the dollar. So over the longer term you can't say the euro has been dramatically weak. In fact, given the knocks that Europe has taken since the beginning of the year—non-resolution of the Russian situation, Kosovo, resignations in the Community, slowing of the German economy—the euro has been pretty resilient. There is no reason to anticipate a further significant weakening. Rate cuts like those announced Thursday can be seen as a signal of

future strengthening of economic growth and will probably prop up the euro over the next three to six months.

Q. We hear about European companies getting investor-friendly. Is that significant?

A. Absolutely. There are two key elements to European stock markets, which make it a very attractive buying opportunity. First, people are investing more and more in equities, which has been a neglected asset class.

Second, the introduction of a common currency and completion of the single market, along with globalization of world economies, have led European companies to finally understand that many of them are minnows on the global stage and need economies of scale. This means there is enormous merger and acquisition activity. European companies also realize they're competing for capital globally.

## Stock-Market Guarantee Has Investors Dying to Collect

By Joseph B. Treaster

New York Times Service

NEW YORK — You would love to shoot the moon with your mutual fund, slapping your money down on the wildest bet you can find. Of course, you're worried that you could lose your whole nest egg.

If that describes your outlook, a

handful of the biggest U.S. insurers have got a deal for you. Well, maybe.

First, you pick one of their funds, from high-risk to mild-mannered—your choice. Then, for as little as 0.1 percent of the investment annually or possibly as much as 0.5 percent, these companies will guarantee that the money you put up, plus an an-

nual gain of 4 or 5 percent, will always be there, no matter how far the market plunges.

On a \$50,000 investment, then, that guarantee would cost \$50 to \$250 a year.

Sounds good, but there is a catch: You have to die in order to collect on the guarantee.

What the companies are selling is

life insurance tied to your mutual fund or funds. You make a bad guess on the market, and you will have less to spend, as usual. But under their new plans, your gambling will not hurt your heirs.

What we're doing is creating peace of mind," said J. Steven Neuzil at SunAmerica Inc., where he is in charge of marketing mutual funds, including what the company calls its Asset Protection Plan.

Peace of mind surely has its value. But many financial advisers say that this is insurance that most people do not need. The reason, they say, is that since the end of the Depression, long-term investors in stocks have generally ended up with more than they started with—a lot more, actually, than if they had put their money into absolutely safe certificates of deposit, money funds or almost surefire bonds.

With these new products, if your investment beats the gain guaranteed by the insurers, you simply walk away with your higher earnings. So an insurance company can collect premiums for years and never have to pay out anything.

"It probably makes sense for somebody who is older and wants to take a little more risk to grow his nest egg for his family," said Patrick Keimelmeier, an analyst at Morningstar Inc., a Chicago financial publisher.

But, experts say, the fund insurance offers little to younger investors with long horizons. The insurance is available with no questions asked about health. That means people who are elderly or in poor health and cannot buy ordinary life insurance at a reasonable price can insure at least some of their assets.

Introduced 18 months ago by American Skandia Life Assurance as a sort of a stripped-down variable annuity, the product seems to be an idea ahead of its time. While American Skandia and the two other companies offering it—SunAmerica and the Prudential Insurance Cos. of America—are effusive about its potential, customers are not rushing to embrace the concept of fund insurance. Both companies acknowledge that, in today's bull market, business has been slow.

## Very briefly:

• Australia & New Zealand Banking Group Ltd. is offering personal financial services over the Internet. ANZ, which has 3 million customers, expects to sign up a high proportion of its 1.7 million phone-banking customers.

• California State Teachers Retirement System now has enough cash to cover its teachers' pensions because it put more money into stocks two years ago. As of June 30, 1998, the fund had 104 percent of the money needed to pay pension obligations that 447,378 teachers have accrued in the plan. The deficit two years ago was about \$1.8 billion.

• Japanese companies saw foreign purchases of their stocks exceed sales by a record 1.6 trillion yen (\$13.2 billion) last month, as investors cheered efforts by companies such as Sony Corp. to cut jobs and sell unprofitable businesses.

• Indonesia plans to sell stakes in nine state firms, including plantation company PT Pertambangan 3, in the year to March 30 as it looks to plug its budget gap.

• Italy's stock market regulator Consob is having more success in cracking down on insider trading, though legal authorities are still slow in prosecuting cases. Consob has defended its new takeover law, criticized by Telecom Italia SpA, the target of a hostile \$65 billion bid from Olivetti SpA, for placing too many restrictions on defensive actions that takeover targets can take.

• Brazil's Bovespa stock index fell 2 percent Thursday and Friday, which some analysts interpreted as a sign of growing investor concern. Although the index is up 36 percent in dollar terms since the country's Jan. 13 currency devaluation, Brazil remains mired in recession and earnings estimates are falling. The drop Thursday and Friday curbed gains on the week to 6.7 percent in dollars, as weekly volume hit 4.3 billion reais (\$2.5 billion), the highest this year.

## Australian Stock Activity Raises Eyebrows

Agence France-Press

SYDNEY — Australian regulators are planning to investigate the country's booming stock market, amid concern over its volatility and a flurry of interest in several small mining companies that are shifting their focus from the resource industry to telecommunications and the Internet.

The Australian Financial Review reported Monday that according to figures it had obtained, computer-generated alerts over severe price

fluctuations had risen 40 percent in February from the year before, to 7,000.

Of those, some 113 incidents, double the average number from the previous year, were referred to the stock market's listings office for scrutiny.

The market also warned all listed companies that shareholders must be informed before companies shift the focus of their business.

In particular, the market's listings director, Stuart Crosby, said that regulators would be closely scruti-

nizing "transactions that move mining and mining exploration entities into other areas of activities."

Several mining companies, including Darnet Ltd., formerly Golden Hills Mining — and Min-Tech 8, have recently restructured their operations to focus on the Internet and telecommunications.

In an accelerating trend, about 15 companies are now lining up to join the wave, having announced they have bought or plan to buy Internet-related operations, the paper said.

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# A Hungry Reception for an Internet Feast

Such leaps are typical of the more than two dozen Internet-related companies that have completed initial offerings so far in 1999, and an improvement over the performance of similar offerings last year.

"The current IPO market is significantly more concentrated in one sector than I've ever seen it," said Scott Sippelle, the former head of the equity capital markets division of Morgan Stanley Dean Witter and a co-founder of the Midtown Research Group, which tracks initial offerings.

People involved in bringing Internet companies to market also complain of a bottleneck at the Securities and Exchange Commission, which must review a company's disclosure documents before granting approval to sell shares.

Investment bankers say the initial review, which is supposed to be completed

[illegible]

Mr. Ullman said that whatever code a company initially files under, the commission will determine the correct industry and route the filing accordingly.

"So if you are simplistic about it and look at traditional measures, you'd have to say that the quality has plunged," she said. "But if you look at it in a different way, maybe not. Hindsight will be a great teacher."

**April 12, 1999**

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**WORLD ROUNDUP**

# Emotional Victory for Olazabal

Gritty Spaniard Survives Wind and Heat to Beat Love and Norman

By Leonard Shapiro  
Washington Post Service

AGUSTA, Georgia — About 90 seconds after Greg Norman had taken the lead in the final round of the Masters with a 25-foot eagle putt at the 13th hole, his good friend Jose Maria Olazabal rammed in a 20-foot putt for a take-that birdie that left the duo tied with five holes to play.

As they walked off the green, Norman looked toward Olazabal and smiled in appreciation of what the gritty Spaniard had just done. Olazabal acknowledged the gesture with a grin and a pointed finger that seemed to say: Nicely done, mate, and welcome to the back nine on a Masters Sunday.

Two holes later, Norman, clearly the people's choice, had been done in by two crushing bogeys, the second of which resulted from a 98-yard wedge third shot that landed in a greenside bunker and a 12-foot putt that tipped out of the hole.

Meanwhile, the unflappable Olazabal continued making magical shots and critical short, tricky putts down the stretch. He assured himself of his second Masters championship in six years with a three-foot birdie putt at the 16th hole and a seven-footer for par at the 17th.

It was a day of nerves rubbed raw by swirling winds and draining heat that caused several players to describe Augusta National Golf Club as a chamber of horrors. Olazabal recovered from a tortuous start that included bogeys at the third, fourth and fifth holes to post a resourceful 1-under 71 and a 72-hole total of 8-under 280 that ultimately provided a two-shot victory over Davis Love and earned him \$720,000.

Norman, a runner-up three times, finished third at 73 for a total of 283. Steve Pate (73) and Bob Estes (72), tied for the lead early in the round, shared fourth place at 284. No one broke 70, the first time that has occurred in the final round here since 1972.

For Olazabal, 33, it was an emotional victory, the confirmation of his recovery from a back injury that caused problems with his feet that were so severe he couldn't walk for two months in the summer of 1996. He was forced from the game for 18 months until the problem was properly diagnosed and treated.

After nearly giving up competitive golf, he returned in 1997 after watching the 1996 Masters on television, agonizing for Norman as he blew a six-shot lead in the final round.

"I'm very proud of myself," Olazabal said. "I feel very happy for all the people who supported me through the bad times. It's very special. When I was at my lowest, I never thought about this happening again. To be standing here with a green jacket is an achievement I couldn't even dream about."

Love recovered from a shaky start that included two bogeys in his first four holes to get back in contention on the back nine. He moved into second place at 6 under with a remarkable chip from

behind the 16th green using a sloping putting surface as a backboard, then watching the ball come back down the slope and roll into the hole for a thoroughly unexpected birdie.

The star-crossed Norman found yet another way to take himself out of contention in a major championship in the cauldron of Sunday back-nine pressure. This was the eighth time he had started the final round of a major tournament in the last group, and the seventh he failed to win, despite that eagle at the 13th that took him to 7 under.

The coup de grace was self-inflicted at the 15th when Norman was forced to lay up after driving in the right rough at the 500-yard hole. He had a rather simple approach to the pin, but hit the sand wedge off-line, as he has done so many times in the past in similar situations, into a greenside bunker.

With the green sloping downhill on his last out, he was fortunate to stop the ball 12 feet from the hole, then watched in agony as his potential par putt caught the left edge of the cup and spun out. The bogey dropped him two shots off the lead with three holes to play.

Norman said his ball had a piece of mud on it that clearly affected its flight on the approach shot. He said it "just wasn't meant to be."

"This is not a heartbreak," he said. "Look at that leader board. There are a lot of guys who could say they're heartbroken, too. Don't make a mountain out of a molehill."

Olazabal hit a magnificent tee shot on the 180-yard 16th. Taking advantage of the same slope that Love had used for his birdie, Olazabal rolled his shot back to within three feet of the hole. He made that birdie putt for a three-shot advantage over Norman and a two-shot lead over Love, who was up ahead.

At the 17th, Olazabal hit a scrambling

second shot from the rough to within 30 feet of the hole, then lagged it down to about five feet on a concrete-hard green. Love said "was like putting on ice."

Norman said Olazabal's ability to send that second putt into the center of the cup was critical because it gave Olazabal a two-shot lead going to the 18th.

At No. 18, he hit an iron off the tee down the middle of the fairway and made a routine two-putt par to finish another memorable day on a course that played tougher than it had all week, with greens difficult to hold and brisk winds wreaking havoc with shot and club selection.

Early in the day, several players made moves up the leader board, only to stumble on the back side.

David Duval got to 5 under and a shot from the lead through his 10th hole, only to hit a 4-iron in the pond at the 11th for a doohee bogey. Three more back-side bogeys did him in. He finished with a 70, the best round of the day, and in a five-way tie for sixth at 285.

England's Lee Westwood also got to 5 under at the turn. But Amen Corner put him back on his knees with a double bogey at the 11th. He managed to get back to 3 under, also tying for sixth place.

The course mauled Tiger Woods, the 1997 champion, with a front-nine 40. He finished with 75-289, tied for 18th.

Olazabal's victory was marked by a gracious display of sportsmanship as he walked up the 18th fairway.

He insisted that Norman join him, and Norman appreciated the gesture. "There wasn't much said coming up 18. I was just impressed he wanted to wait for me."

"He could have walked up and accepted the ovations he justifiably deserved," Norman said. "I just said congratulations and gave him a hug. He just said, 'Keep hanging in there, yno'll get it.'"



Norman, left, and Olazabal embracing on the 18th green after Olazabal won the 1997 Masters at the Augusta National Golf Club. Norman finished third.

## Masters Leader Board

Jose Maria Olazabal, Sp.	70-66-73-71-280	Scott McCarron	68-68-76-74-289	Steve Stricker	75-72-68-70-295
Davis Love 3d.	68-72-70-71-282	Justin Leonard	70-72-73-74-289	Craig Steller	72-70-70-77-295
Greg Norman, Aus.	68-72-71-73-283	Bill Glavin	72-70-73-74-289	Raymond Floyd	74-72-72-76-295
Bob Estes	71-67-72-73-283	Bernard Lammie	69-72-72-72-289	Julio Arango	76-72-72-75-295
Steve Pate	71-72-68-73-284	Larry Mize	70-72-72-72-289	Mark Brooks	76-72-72-75-295
David Duval	71-74-70-70-285	P.J. Johnson, Swi.	75-72-71-73-291	a-Sergio Garcia, Sp.	72-75-73-73-295
Phil Mickelton, Por.	72-72-68-73-285	Vijay Singh, Fiji	72-74-71-72-291	Jay Haas	74-69-75-75-297
Phil Mickelton	74-69-71-71-285	Brad Faxon	72-72-68-76-291	a-Tom McIlwain	73-73-73-77-297
Wick Plicka, Zim.	69-72-72-72-285	Ernie Els, S. Afr.	71-72-68-76-292	Scott Hoch	75-70-74-76-297
Lee Westwood, Brit.	72-74-68-71-285	Fred Couples	74-71-74-71-292	Ten Hatten	75-69-74-76-297
Steve Elkington, Aus.	72-70-71-74-287	Rocco Mediate	72-74-68-76-292	Sandy Lyle, Brit.	71-72-70-78-298
Bernhard Lammie, Ger.	76-66-73-73-287	Shigetaka Moriyama, Jpn.	74-70-71-74-293	Craig Perry, Aus.	75-73-73-75-298
Colin Montgomerie, Brit.	70-72-71-74-287	Tom Lehman	70-70-71-74-293	a-Matt Kuchar	71-71-73-76-299
Jim Furyk	70-72-71-74-287	Brian Wells	73-73-73-75-298	Chris Peery	72-74-68-76-299
Lee Janzen	68-73-73-73-288	Jeff Sluman	70-75-70-76-293	John Daly	72-76-71-81-300
Brendon Jobe	72-71-74-71-288	Mark O'Meara	70-75-68-76-293	Oliver Browne	74-74-78-80-300
Ken Venturi, Brit.	71-74-71-74-288	John Huston	74-72-71-77-294	Bob Tway	75-73-70-76-300
Tiger Woods	72-72-70-75-289	Andrew Hargis	70-77-72-75-294	a-Trevor Immelman, Aus.	72-76-76-79-305

# Former Bordeaux Coach Sentenced to Jail in Referee Bribery Case

A Paris court sentenced Didier Coucou, the former manager of Bordeaux, to jail on Monday for committing fraud and attempting to bribe referees while they worked for Bordeaux in the 1980s.

Baria, who was charged with attempting to bribe officials before European matches, was sentenced to one year, while Coucou was handed a four-month sentence. The two other people charged in the case, an agent, Licio D'Onofrio, and the former Bordeaux general secretary Herve Bizot, were fined.

The case followed a police investigation that found that Bordeaux had spent 4.2 million francs (\$692,000) to bribe referees and discovered tax fraud amounting to 33 million francs in the transfers of six players.

ITALY Sveo Goran Eriksson, the Lazio coach, criticized his team for a lack of mental energy after its humbling 3-1 loss to local rival Roma.

Lazio's first defeat since November was a double blow: The result allowed

AC Milan to move within four points of Lazio, and red cards for Alessandro Nesta and Sinisa Mihajlovic, along with yellow cards for Paulo Negro and Giuseppe Pancaro, mean all four will be suspended, leaving Lazio with no first-team defenders to face Juventus.

"We played badly in the first half,"

## World Soccer

Eriksson said. "We weren't aggressive enough. But more than on the physical side, it was the mental energy which we were lacking. We need two sleepers under the face in order to wake up."

ENGLAND Referee Paul Durkin said Monday he missed a hand ball by Newcastle's Nikos Dabizas in the English FA Cup semifinal against Tottenham.

The hand ball came in the second half when the teams were level, 0-0. Newcastle eventually won, 2-0, with two goals in extra time, the first from a penalty for a similar offense by Tottenham's Sol Campbell.

Durkin nevertheless said that George

Graham, the Spurs manager, was wrong to accuse him of having a "poor day at the office."

"I haven't had a chance to watch the video but from what I have been told, I obviously missed a crucial decision," he said. "Maybe I was in the wrong position, but I genuinely didn't see it and neither did my linesman, Mark Cooper. I'm bitterly disappointed, especially considering what was at stake for the two sides. But that's the way it goes sometimes and I can't change what happened."

"But to say that I was poor throughout is a bit unfair," Durkin added. "George Graham's comments came after he'd had chance to study the TV replays but at the time he was 70 yards away and couldn't possibly have seen any more than I did."

BULGARIA A top match in Bulgaria was abandoned after a violent halftime attack on two CSKA Sofia players, allegedly by Levski Kyustendil fans.

Dimitar Penev, the CSKA coach, said his goalkeeper Ivailo Ivanov and defender Adalbert Zafirov were attacked

by four men in the tunnel leading to the changing room. Penev said the two players were taken to hospital for treatment, but Bulgarian state radio quoted Levski officials and local police denying any attack had taken place.

CSKA were leading by a goal before the match was halted and television reports said the CSKA players stayed in the dressing room for an hour as they were surrounded by angry Kyustendil fans.

YOUTH WORLD CUP Four Latin American teams advanced to the second round of the world under-20 championships as the first round wrapped up Sunday with Brazil routing Zambia and the United States upsetting Cameroon.

Brazil, which has won the tournament three times, advanced to the second round with a 5-1 victory over Zambia that ousted the African side.

On Wednesday, Brazil will face Croatia, and Paraguay takes on Uruguay. Two-time defending champion Argentina faces Mexico on Thursday.

Spain beat Honduras, 3-1, with goals

from Pablo Gonzalez, Fernando Varela and Roben Suarez. Spain will face the United States on Thursday.

Taylor Twellman scored twice as the Americans beat Cameroon, 3-1, Sunday. The United States, Cameroon and Japan all finished with six points in Group E. Japan, which beat England, 2-0, on Sunday, had the best goal difference and finished first. The Americans were second and Cameroon was third.

Japan will face Portugal on Thursday. Cameroon, one of the best third-place teams, faces Mali.

In other second-round games, Ireland will play host Nigeria, and Group B winner Ghana will face Costa Rica. Africa's With a 2-0 victory in Uganda, Tunisia became the first team after the co-hosts and title holders to secure a place in the African Nations Cup finals next year.

First-half goals from Hassan Gabisi and Faouzi Rouissi carried Tunisia through to the finals alongside co-hosts Ghana and Nigeria and the African champion, Egypt. (AP, AFP, Reuters)

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## ASTONISHING LOS ANGE



## SPORTS

## Giants Rally Over Padres

The Associated Press  
The San Diego Padres intentionally walked Barry Bonds to get to Jeff Kent, and Kent made them pay.  
After Donnie Wall walked Bonds to load the bases in the bottom of the eighth, Kent delivered a two-run single

## NL ROUNDOUP

to give the San Francisco Giants an 8-6 victory over the Padres on Sunday.

"That's why I like hitting behind Barry," said Kent, who also hit a homer in the fourth. "I don't mind being in those situations."

Stan Javier, who homered in his first two at-bats, singled to start the two-out rally in the eighth and then stole second.

The Giants improved to 6-1, matching their best start since 1973.

Mets 6, Expos 3 John Olerud went 4-for-5 with three doubles, and Luis Lopez had three hits, including a key two-run single, as the Mets won their third straight in Montreal. Olerud raised his batting average to .407.

Pirates 6, Cubs 4 Brant Brown, who dropped the fly ball that cost Chicago a key September game last season, had three extra-base hits and drove in three runs for his new team, as Pittsburgh completed a three-game sweep of the visiting Cubs.

Sammy Sosa hit his first homer of the season, a 441-foot solo shot in the ninth. It was the first hit of the three-game series for Sosa, who is off to a slow start (2-for-21) after his 66-homer season last year.

Reds 4, Cardinals 2 Mark McGwire hit his first homer since Opening Day, but St. Louis lost to visiting Cincinnati.

McGwire connected in the first inning off Jason Bere.

Astros 5, Brewers 2 Shane Reynolds pitched seven strong innings to win his seventh straight decision as the Astros beat Milwaukee in Houston.

Every Houston starter except third baseman Tim Lincecum had at least one hit.

In games reported in late editions Monday:

Phillies 2, Marlins 1 Chad Ogea pitched 6½ strong innings in Miami and held Florida to three singles and no earned runs for his first National League victory.

Brewers 5, Yankees 2 Andrew Jones hit a two-run single off Gregg Olson in the ninth to cap a rally by the Braves in Atlanta.

Olson blew a save for the third time in three chances this year, allowing Greg Maddux to escape with a no-decision despite allowing home runs to Arizona's Travis Lee and Luis Gonzalez.

The Colorado-Los Angeles game was postponed by rain, the first rainout at Dodger Stadium since 1988.



Orlando Hernandez winding up in the first of six perfect innings.

## Hernandez Toys With the Tigers

By Jack Curry  
New York Times Service

NEW YORK — Orlando Hernandez blew hot air into his right hand before every pitch on a chilly and eerily memorable day, starting at catcher Jorge Posada with his serious brown eyes and focusing on his next task.

Hernandez wanted everything to be perfect, from the warmth of his hand to the kick of his leg to the delivery of his pitch. Everything almost was.

In weather better suited for American football, Hernandez brought extra drama to Yankee Stadium on Sunday by retiring the first 19 Detroit Tigers he faced. A walk to Gregg Jefferies stained the masterpiece in the seventh inning, but Hernandez kept his oo-hitter alive for one more out. Then Tony Clark reached out and potted an 0-2 fastball into shallow right field for Detroit's first hit.

Hernandez nodded as the fans cheered him, then blew on his hand and went back to work. He lost the shutout, too, but the New York Yankees' 11-2 victory was still something special.

Hernandez was dominant, and the Yankees, who received their 1998 World Series rings before the rout, performed like a machine. "It was great to get a ring because in Cuba they don't do that," Hernandez said.

"The guy knows how to pitch," said Don Zimmer, the Yankees' interim manager. "When they're looking for the fastball, they get the breaking ball and vice versa."

Hernandez proved Sunday that he might be even more confusing to hitters now that he throws more change-ups

## AL ROUNDOUP

from different arm angles to complicate the fastballs and sinkers he uncorks from so many angles.

Sunday's emphatic victory was the Yankees' fifth in a row after a loss in the opener. Hernandez, who prefers the tropical climate of his native Cuba, toyed with the Tigers in 44-degree Fahrenheit (7-degree Celsius) weather, striking out nine, walking just one and giving up only two hits in his seven innings.

The Yankees used patience and a sprinkling of well-timed hits to torch the Tigers' starter, Justin Thompson. Derek Jeter homered, drove in three runs and scored three runs. Paul O'Neill also knocked in three.

None of the Tigers were too thrilled about their weekend trip to New York. On Friday, Coe held them to one hit and one run and the Yankees won, 12-3. On Saturday, Roger Clemens held them to three hits in a 5-0 victory. "I want to see

somebody else play them right now," said Larry Parrish, the Detroit manager.

"I'm mad to get out of town."

In other games, The Associated Press reported:

Devil Rays 5, Red Sox 4 Danny Cleyburn homered with two outs in the eighth, sending visiting Boston to its first loss of the season.

Rangers 6, Angels 3 Aaron Sele struck out 10 in 5½ innings, allowing three runs — one earned — and five hits with three walks as Texas beat visiting Anaheim.

Blue Jays 9, Orioles 5 Darrin Fletcher hit a three-run homer in the seventh after Baltimore botched a rundown at Camden Yards, capping a five-run inning. The rally was aided by Cal Ripken's second throwing error of the game, on a simple rundown between third and home.

Infielders 9, Twins 6 Richie Sexson drove in three runs as Cleveland won its fifth straight and swept the three-game series in Minneapolis.

Royals 3, White Sox 1 Jeff King, Mike Sweeney and Joe Randa hit solo home runs as Kansas City completed a three-game sweep in Chicago.

Mariners 11, Athletics 8 Edgar Martinez and Russ Davis hit two-run homers as Seattle got seven consecutive hits in an eight-run third. The Mariners built a 10-0 lead before visiting Oakland pulled within three.

## SCOREBOARD

## BASEBALL

## MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE	W	L	Pct.	GB
Boston	5	1	.833	—
New York	3	3	.500	2
Tampa Bay	3	3	.500	2
Toronto	2	4	.333	3
Baltimore	2	4	.333	3

## CENTRAL DIVISION

New York	5	2	.714	—	
Atlanta	4	3	.571	1	Atlanta
Philadelphia	4	2	.571	1	Atlanta
Montreal	3	4	.429	2	St. Louis
Florida	2	4	.333	2½	G. Moden, M.

CENTRAL DIVISION  
Lopez 691, W.

## WEST DIVISION

Houston	3	3	.500	1	Trachsel, Se
Chicago	2	4	.333	2	Santiago; Sch
Cincinnati	2	4	.333	2	(9) and K
Milwaukee	2	4	.333	2	L—Trachsel, B
WEST DIVISION					Hill (2), Sant

## NATIONAL LEAGUE

## EAST DIVISION

PRIMARY LEAGUES			
AMERICAN LEAGUE			
Detroit	800	800	718—2 5 1
New York	100	820	800—11 9 0
Thompson, Lira	Ch.	Kido	651. M.
Anderson (71)	To. Jones (8)	and Heston	

## CENTRAL DIVISION

St. Louis	108	92	908-3	8	0
Bern, Reyes	99	700	900-1	6	8
Osborne, Baskin					
W-Bern, 1-0.					
(1). HIRs-Clo					

## WEST DIVISION

WALSweeney (2), Chicago, Thomas (2),	Roque, De
Boston	591 562 108-4 8 0
Tampa Bay	229 490 813-5 7 0
Rapp, Corrier (4), Goss (4), Guthrie (7),	Wickman (3)
Love (8) and Vantine, Alvarez, Ynn (5), R.	Powers (3),
LAHove (6), Mark (7), Alford (8), 2	W-Reynolds,
	St-Wagner C
	St-Burnitz (3)

## SUNDAY LEADERS

AMERICAN LEAGUE	W	L	Pct.	GB
Detroit	1	0	1.000	—
New York	1	0	1.000	—
Thompson	1	0	1.000	—
Anderson	1	0	1.000	—
Harmon	1	0	1.000	—

NATIONAL LEAGUE	W	L	Pct.	GB
San Francisco	1	0	1.000	—
San Diego	1	0	1.000	—
San Francisco	1	0	1.000	—
San Francisco	1	0	1.000	—
San Francisco	1	0	1.000	—

## BASKETBALL

## NBA STANDINGS

ATLANTIC DIVISION	W	L	Pct.	GB
Orlando	25	10	.714	—
New York	24	11	.686	1
Atlanta	23	12	.657	2
Charlotte	22	13	.625	3
Boston	22	13	.625	3
New Jersey	21	14	.600	4

## CENTRAL DIVISION

100 000 788—2 7 1	Houston	23	12
800 000 073—3 5 0	Minnesota	21	16
	Dallas	11	25
Olsen (9) and D.Miller	Denver	11	26
McGinley (9) and E.Perez, J.	Vancouver	7	30
McGinley, I.-I.-Olsen, G.			

## WEST DIVISION

Phoenix	18	19
Sacramento	17	20
Golden State	15	21
L.A. Clippers	5	31

## PACIFIC DIVISION

Lebanon (9); A. Fernandez	Wt. Richmond 7-15 7-7 24. Stric
L. Downsbrough (7). Allison	79. Rahamonde Philadelphia 30
J. G. Garcia (8). W. Oates 1-	Washington .55 (Thorp)
index; 1-1. Se—Brantley (4).	Philadelphia 20 (Snow 10). W
100 120 .020—4 14 1	(Strickland 7).
118 100 .000—3 7 8	New York 24 78

## SUNDAY RESULTS

ATLANTIC DIVISION	W	L	Pct.	GB
New York	1	0	1.000	—
Philadelphia	1	0	1.000	—
Charlotte	1	0	1.000	—
Atlanta	1	0	1.000	—
Boston	1	0	1.000	—

## CENTRAL DIVISION

100 000 818-2 8 8	Robinson; Houston 46 (O'Brien)
120 200 008-5 13 8	57 (Osterling 15). Assistants:
Los Santos (6), Plunk (7),	(Dickerson, Phippen 4, Utah 1)
and Hughes; Reynolds, J.	Detroit 14 15
Wagner (9) and Eusebio.	Minnesota 23 7
	O-HR 8-20 17-13 27; Delay 7

## WEST DIVISION

696	321	660-4	0	2	Minnesota 22 (Jackson 7).
310	200	626-4	11	1	Seattle 27 23.
Johnson (5), Boehringer (6),					L.A. Lakers 22 29.
Woff (5) and Lorytta Rueter,					S. Pylon 12-24 7-11 33.
Minire (6), Johnstone (8), Non					27; Lakers: O'Neal 18-30-2-4-33.
St. Joseph (4), W. Schuler.					15-25 Bakerham: Conliffe 20-22-2-2-23.

## PACIFIC DIVISION

<b>PEANUTS</b>			
ONE FINGER WILL MEAN A			

## HOCKEY

## NHL STANDINGS

ATLANTIC DIVISION	W	L	Pct.	GB
New York	21	14	.600	—
Philadelphia	20	15	.571	1
Washington	19	16	.543	2
Pittsburgh	18	17	.514	3
Carolina	17	18	.486	4
Florida	16	19	.457	5

## CENTRAL DIVISION

299	414	(Oswego 5), Portland 18 (Woburn 2)
568	7	Shedden 4.
306	1614	
297	17	
189	21	

# ICE HOCKEY

## WEST DIVISION

ATLANTIC DIVISION							
	W	L	T	Pts	GF	GA	
486 10%							
459 11%	y-New Jersey	44	22	11	99	237	198
417 13	x-Philadelphia	36	25	18	90	224	190
339 22	x-Pittsburgh	37	28	14	88	236	312
78	N.Y. Rangers	32	37	10	74	212	222

## SUNDAY RESULTS

ATLANTIC DIVISION	W	L	Pct.	GB
New York	1	0	1.000	—
Philadelphia	1	0	1.000	—
Washington	1	0	1.000	—
Pittsburgh	1	0	1.000	—
Carolina	1	0	1.000	—

## CENTRAL DIVISION

Yankees: New York	Washington	31	42	6	68	198	208
(Van Horn 9).	Tampa Bay	19	52	7	45	172	280
N. New Jersey	<b>WESTERN CONFERENCE</b>						
	<b>CENTRAL DIVISION</b>						
22 26— 76		W	L	T	Pts	GF	GA

## WEST DIVISION

Don 12; Utah	Northville	28	43	7	63	182	245
Houston 16							
D (Stockton 7).		NORTHWEST DIVISION					
21 29- 79	W L T Pts GF GA						
28 28- 88	y-Colorado	43	26	10	96	226	194
11 0-6 14; At	Edmonton	30	37	12	72	217	219
	Calgary	28	38	12	68	199	224

## SUNDAY RESULTS

ATLANTIC DIVISION	W	L	Pct.	GB
New York	1	0	1.000	—
Philadelphia	1	0	1.000	—
Washington	1	0	1.000	—
Pittsburgh	1	0	1.000	—
Carolina	1	0	1.000	—

## CENTRAL DIVISION

W	L	Pct.	GB
St. Louis	1	0	1.000
Chicago	1	0	1.000
Minnesota	1	0	1.000
Colorado	1	0	1.000
Calgary	1	0	1.000

## WEST DIVISION

at United Features

## SOCCER

## YOUTH WORLD CUP

GROUP A	W	L	Pct.	GB
Uganda	1	0	1.000	—
Uganda	1	0	1.000	—
Uganda	1	0	1.000	—
Uganda	1	0	1.000	—
Uganda	1	0	1.000	—

## GROUP B

Belloué	3 0 3-0
Phénix	1 0 2-3
Asahelin	1 0 2-3

First Period: A-Kortys 17, Second Period:  
None. Third Period: A-Nielsen 5 McKenzle.

## GROUP C

A-0 of 7. Goals: P. Kneibuhl, A. Heberl.	
<b>CRICKET</b>	
<b>KHARIJAN CUP</b>	<b>FINAL</b>

## GROUP D

India: 239-4 in 50 overs.	Green: 5 x
England: 230 all out in 48.5 overs.	FINAL: 5
India won by 9 runs.	x-Ireland 6
STANDINGS: Pakistan 6 points.	Uganda 0
India 2; England 0.	

## GROUP E

West Indies: 209 in 48.1 overs.  
Australia: 165 all out in 41.5 overs.  
West Indies won by 44 runs.

**CYCLING**



The

ART BUCHWALD

Th

## Computer Meltdown

NEW YORK — It has been decided that the world will not end in a bang or a whimper but with a virus. The computer, which was originally a boon to mankind (where would a MasterCard be without it?), has become a diabolical weapon to bring human beings to their knees.

You need look no farther than New Jersey to discover a mad Dr. Strangelove programmer at work. Someone, now identified as an unhappy hacker, infected millions of computers with a software bug that brought heartache to thousands and cost companies millions of dollars. The angry man tainted tons of e-mail so it would travel thousands of miles and chew up programs like a swarm of locusts.

If this person could do it in his bedroom, there are potentially thousands of hackers sitting in their homes who could copycat the same thing.

Let us go to Hynman Falls, where Arnold Coffee has been informed by his father that he can't have the car for the evening. Arnold is furious and goes to his room where he turns on his computer.

"How," Arnold asks the computer, "can I make my parents sorry they won't give me the car?"

The computer replies, "You can either refuse to speak to them or you can blow up the world."

Arnold starts to give it some thought. Then he says, "Give me a hint as to how I can blow up the world."

"Push the Control key while sticking your fingers on the Page Down and Alt keys. Then delete the second paragraph without locking mail merge. Use your chin to hit the escape button. This will send out a message to Danny Williams in Leesburg, Virginia, that will infect Carla Mimosa's computer in North Dakota. From there the virus will spread through the system until it winds up in Santa Fe, New Mexico."

"My screen is full of viruses. Do I have time to say good-bye to my girl?"

Arnold asks, "It's too late. You just blew up her hard drive."

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## For John Guare, the Same Nagging Questions

By Steven Druksman

NEW YORK — In the world according to John Guare, the more things change, the more they, well, don't change.

"The person I was 40 years ago, I am still today," says the 61-year-old playwright, best known for "The House of Blue Leaves" (1971), "Landscape of the Body" (1977) and "Six Degrees of Separation" (1990).

Guare's latest play, "Lake Hollywood," is now in previews and opens April 29, presented by the Signature Theater Company, the group that dedicates each season to the work of one major American playwright.

"I am the same artist with the same nagging questions I had in my early twenties," Guare said. "What's real and what isn't? How do we tell what's real in our lives? How do we see things as they are? What is my role in life? Any writer deals with those questions. If the Signature hadn't forced the issue by devoting its season to my plays, I could at least believe I had changed."

As is his habit, Guare spoke about his many plays in jest and at the same time with deadpan conviction. "Really, they're all the same!" he exclaimed. "What is 'Six Degrees of Separation' but 'The House of Blue Leaves' with money?"

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John Guare at a rehearsal for his new play, "Lake Hollywood."

"He crosses into every territory: realism, surrealism, naturalism, and doesn't sit in any particular time or style. Emotions change on a turn; one moment you're laughing and then you're in complete heartache. John reveals a wildly vivid imagination and insight into the struggle each of us has to make a difference and feel we belong. All his plays deal with the need for us to matter."

Indeed, the 1973 "Marco Polo Sings a Solo," the first production in the Signature's season, is an absurdist romp that switches locales between icebergs and outer space. The second play, the 1979 "Bosoms and Neglect," is a satire of psychoanalysis wrapped around an enigmatic mother-son relationship. "We like to close the season with a new work, though, to put the playwright's career in context," Houghton said. "This time, we were just lucky that all the seeds of John's earlier work are in 'Lake Hollywood.'"

The play's title refers to the New Hampshire setting of the first act, in which a young woman named Agnes brings a young man named Andrew home to meet her eccentric family. (An uncle has renamed the local lake

Hollywood after renting a cabin to Spencer Tracy.) The second act jumps 50 years, to the couple's hitherto old age in Manhattan. The cast, co-directed by Douglas Hughes and Lamar Kibov, includes Kate Burton and Adam Grupper as the young Agnes and Andrew and Ralph Waldo and Betty Miller as the couple a half century later.

The play began as a fragment of a two-character scene that the author staged as a student at Yale in 1961. "It was a shared, tiny claim of a play called 'Something I'll Tell You Tuesday,' which has now become the second act of 'Lake Hollywood,'" Guare said. "When I went back and looked at it, I was amazed. Here I was, 22, and writing about old people."

"Lake Hollywood" also contains, along with almost entirely brand new material, what Guare calls "permutations" of the first of his plays produced in New York, the 1965 "To Wally Pantoni, We Leave a Credenza." (A common denominator of the first and second acts of "Lake Hollywood" is a credenza.)

Over a recent lunch on Theater Row, Guare chronicled the unusual history of his latest work. In preparing an anthology of his

plays for publication, he looked for "Something I'll Tell You Tuesday" (which was presented in Greenwich Village in 1966) but could not find it. When he finally unearthed a copy, he said, he discovered that the play seemed to have a lot of juice in it. "So I thought, Well, I've written the end of a life here, but these people had beginnings."

He wrote a rough draft of a first act, and kept thinking about the characters while working on other projects.

With a head of thick snowy hair and blue-green eyes behind his glasses, Guare looks and speaks like the professor he has been — teaching playwriting at both Harvard and Yale. He is now involved in the writing program for young playwrights at the Juilliard School.

"There is no such thing as 'How to Write a Play,'" he said. "Too many of my students do ventriloquist acts: they give me their version of Marnet, of Pinter, of Beckett, and think they've written a play. So you have to encourage the author to find his or her voice. That's why I could go back to this play I wrote as a student, write the first act 40 years later, and it's the same voice!"

"It's so easy for me to go into my past; the artifacts are all the same," he said. "How little my life has changed. I've lived at the same address for 30 years. Adele and I have been happily married for 25." His wife, Adele Chatfield-Taylor, an authority on historic preservation and urban design, is the president of the American Academy in Rome.

The real-life event that inspired "Lake Hollywood" happened to the author's parents before he was born. "Something terrible occurred when my mother brought my father back to meet her family in New Hampshire," Guare said. "I had heard about it as a child, but we never spoke about